

U.S. Contra Plan Involved Pretoria Shultz, Casey Reportedly Approved 1984 Scheme for South African Aid

By Stephen Engelberg... WASHINGTON — Senior Reagan administration officials approved a plan in early 1984 under which the Nicaraguan rebels would receive training and equipment that would ultimately have been paid for by South Africa...



New 'Boat People' Will Be Sent Back to China From Hong Kong. Refugees from Vietnam who settled in China waiting Thursday at a makeshift detention center in Hong Kong...

Kiosk Moscow, Tokyo Expel Officials

MOSCOW (AP) — The Soviet Union on Thursday ordered the expulsion of the Japanese naval attaché and a Japanese businessman for spying in Tokyo...

Divers Recover Jewels, Other Valuables From Titanic

PARIS — Divers recovered on Thursday a leather bag containing gems, bank notes and coins from the Titanic, the first recovery of valuables since the wreck was positively identified in 1985...



Detail of Corot's 'Interrupted Reading' from the Chicago Art Institute, whose new galleries are a model of what museums should be. In Weekend. Page 7.

Moscow's Stance on Aid Spells Crisis in Managua

By Stephen Kinzer... MANAGUA — The Soviet Union's refusal to increase aid to Nicaragua has produced an economic crisis. In discussions with Sandinist leaders this year, Soviet officials made it clear that Moscow was not willing to underwrite Nicaragua's economy...



UNITY AMID BEIRUT CHAOS — Christians and Moslems join a white ribbon while forming a human chain across the Green Line dividing Beirut. They participated in a peaceful three-hour protest Thursday against the 12-year civil war in Lebanon...

Soviets to Get Checks Bank Offers Consumer a Choice

MOSCOW — Soviet consumers, long used to using wads of cash to do their shopping, are to receive a mixed blessing from the West — the checkbook. The trade union newspaper Trud said Wednesday that beginning in January the State Savings Bank will introduce the country's first checkbook...

The New Bwana: White Aides Gain Power in Africa

By James Brooke... ABIDJAN, Ivory Coast — In Ivory Coast, they call him "Caeser." In Senegal, he is "Jesus Christ." In the Central African Republic, he is the "Bwana of Bangui." With reverence and camouflage, Africans have found different nicknames for different men who play similar roles...

Iran Calls Its Mines Defensive

They Are Not Put In International Water, Aide Says. TEHRAN — Iran denied Thursday that it had planted mines in international waters but said it had been using them in the Gulf for defensive purposes...

Weather Halts Convoy. Earlier, Richard M. Weintraub of The Washington Post reported from Fujairah, United Arab Emirates: A convoy of three reflagged Kuwaiti tankers, escorted by six U.S. Navy ships, stalled in the Gulf near Bahrain on Thursday as low visibility and choppy seas hampered mine-searching operations...

Pilot Error Suspected In Detroit. By Michael Specter... ROMULUS, Michigan — The cockpit crew of Northwest Airlines Flight 255 apparently forgot to set the aircraft's wing flaps when preparing to take off from Metropolitan Airport on Sunday, making the plane nearly impossible to fly, sources investigating the fatal crash near Detroit said Wednesday...

Vertical text on the right edge of the page, including 'Page 5', 'le', 'ng', and various small text fragments.

Thatcher Lobbies Allies And Talks to Gorbachev To Broaden Gulf Effort

By Karen DeYoung
Washington Post Service

LONDON — Concerned about U.S. isolation, its own newly exposed position and heightened tension in the Gulf, Britain has undertaken a forceful diplomatic effort to try to broaden international political cooperation and military participation there.

Over the past 10 days, Prime Minister Margaret Thatcher has dispatched messages and emissaries to several West European countries and Japan, asking them to join or otherwise aid British minesweeping efforts in the Gulf.

At the same time, London has warned the Gulf states that British minesweepers will not be available to clear the waters of those countries that do not make their ports and other facilities available to the British fleet.

Mrs. Thatcher also has exchanged private communications with Mikhail S. Gorbachev, the Soviet leader, in the belief, unshared by many U.S. policy makers, that the Soviet Union must be directly involved in any international solution to the immediate problem of navigating the Gulf, as well as to the seven-year Iran-Iraq war.

Now that Britain has been more directly "drawn in" to the situation by its decision last week to send minesweepers, "we wish to give a lead," a government official said. He emphasized that Britain was supportive of U.S. policy but worried that the situation in the Gulf could become a dangerous U.S.-Iranian confrontation or a source of superpower friction.

Reacting to what one Western diplomat in London estimated will soon be a U.S. military presence of up to 25,000 personnel in the Gulf, the British official said it was "not for us to dictate what scale the United States believes is necessary to meet its commitment."

But, he said, it now "needs the whole world protesting, rather than just the Americans, to make an impression on Tehran." "The Iranians have no interest in a U.S. attack," he said. "We hope that if we can get on top of the mine-clearing, it can be turned into a war of words."

The diplomatic effort has met with a mixed response. Mrs. Thatcher's request for minesweeping assistance from West Germany, Belgium, the Netherlands and Italy came after all had turned down U.S. appeals.

In letters to the head of each government, Mrs. Thatcher is believed to have pointed out that all of those countries receive more of their imported oil from the Gulf than does Britain, yet Britain was now prepared to make its contribution to free navigation there. France has also dispatched minesweeping aid to the Gulf.

Last weekend, David Mellor, the British Foreign Office minister, said in a radio interview that countries that have advocated a United Nations peace-keeping force, rather than making their own efforts to lessen Gulf tension, were indulging in "escapism" since there was no indication that the UN is ready to organize such a force.

Mr. Mellor's comments brought swift, critical responses from Italy and the Netherlands, both of which have supported calls for a UN force. In The Hague, the British ambassador was summoned to explain Mr. Mellor's comments to the Foreign Ministry.

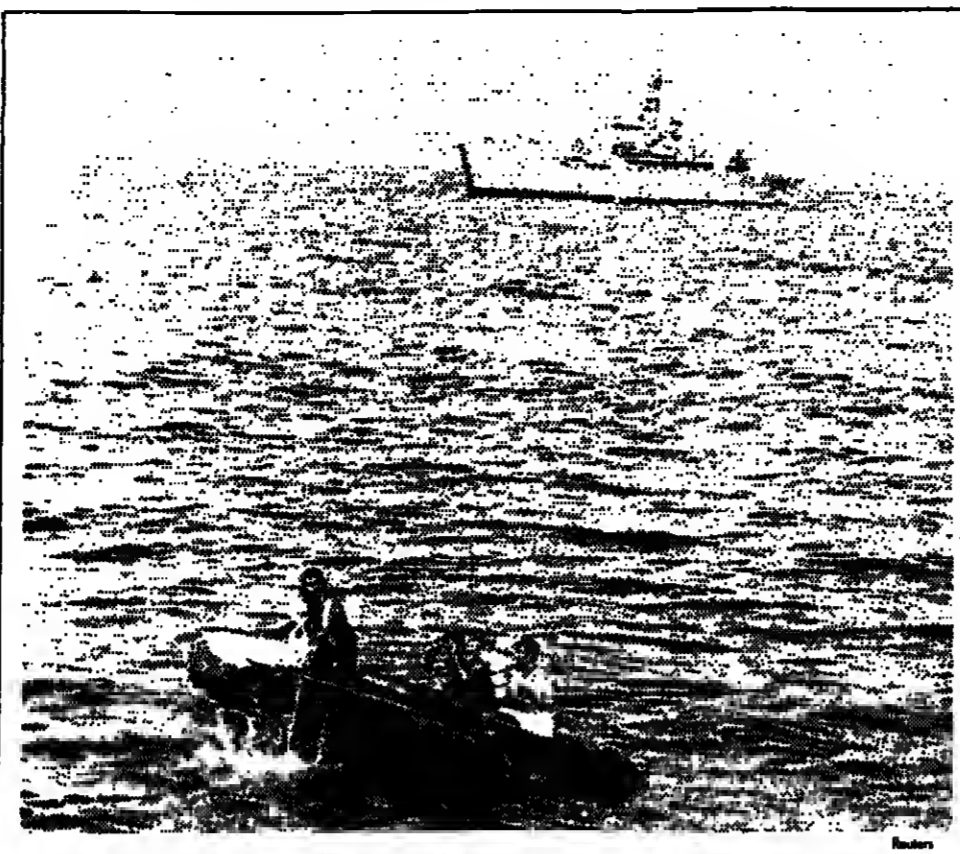
In the meantime, Britain has sought to convince the Soviet Union that its approval last month of a UN Security Council resolution calling for an Iran-Iraq ceasefire implied approval of a possible arms embargo against whichever party to the war refuses to comply.

Mrs. Thatcher has used her personal relationship with Mr. Gorbachev to appeal for a coordinated UN embargo. On Monday, Leonid Zamyatin, the Soviet ambassador to Britain, delivered Mr. Gorbachev's response to an earlier Thatcher letter on the matter. While British officials said Moscow and London still differed on "one or two points," they said Britain would continue to try to closely involve the Soviet Union in international efforts.

Britain began to press its diplomatic effort in conjunction with Mrs. Thatcher's decision, announced Aug. 11, to send four of its sophisticated Hunter-class minesweepers to the Gulf.

Dutch Agree 'in Principle'
The Dutch are willing in principle to send minesweepers to the Gulf, Foreign Minister Hans van den Broek said Thursday. Reuters reported from The Hague.

"In principle we are now prepared to send minesweepers in the Gulf to defend our interests," Mr. van den Broek said after a meeting of top civil servants from the seven Western European Union countries. Participants in the meeting strongly condemned any actions that restricted freedom of navigation in the Gulf.



Iranian Navy forces, including a scuba diver, search for mines in the Gulf of Oman.

Iran Shows Off Minesweeping Skills In Gulf of Oman, a Display of U.S.-Taught Techniques

By John H. Cushman Jr.
New York Times Service

BANDAR ABBAS, Iran — Not far from the waters where American warships were escorting Kuwait tankers to protect them against possible Iranian attack, Iran flew foreign journalists to the Gulf of Oman on Wednesday to watch its navy demonstrate the clearing of mines that the Washington says Iran laid in the first place.

It was an unusual day. Even though the Iranians assiduously demonstrated their latest minesweeping equipment and techniques, they steadfastly refused to discuss who might have laid the mines.

It was evident that the Iranian Navy had not just the skills and traditions gained from years of cooperation with the U.S. Navy. The officers spoke English and wore uniforms similar to U.S. issue. They were flying the same type of Sikorsky RH-53D minesweeping helicopters being operated by the United States in the Gulf.

Many of the Iranian pilots were trained by the U.S. Navy at Norfolk, Virginia, before the 1979 Islamic revolution put an end to cooperation.

For the demonstration, the Iranian Navy searched for mines in a small quadrant of international waters near Khawr Fakan and Fujaira, the bustling ports of the United Arab Emirates. It was in this area that an oil

tanker and a supply craft recently struck mines.

Iran, saying it wants the U.S. and Soviet roles in the Gulf reduced, offered to clear mines there. The United Arab Emirates declined the offer, but several days ago, Iran began to hunt mines in international waters and around the Strait of Hormuz.

To publicize its activity, the Iranian Navy flew more than 20 foreign journalists to view its operations in the Gulf of Oman about 15 miles (25 kilometers) east of Fujaira.

Aside from making a political point, Iran's search for mines gives it a reason to operate naval units in the area.

Captain Faramarz Khorsham, an officer from Bandar Abbas, the site of a large naval and air base, said the Iranian minesweeping effort involved at least six ships, including an unspecified number of destroyers and helicopter landing ships, one minesweeper and a supply ship.

"We have exploded four mines," he said, adding that Iran had reassured shippers that the inspected area was clear. No mines were found Wednesday, and it was impossible under tightly controlled circumstances to verify many of the Iranian assertions.

Officers aboard the Kharsh, a British-built vessel that can handle helicopters, said the Iranians had been going about the task of minesweeping in much the same way as the United States. Eight U.S. Navy RH-53D Sea Stallion helicopters have begun mine detection operations from the amphibious assault ship Guadalcanal.

Ordinarily, a minesweeping helicopter tows cables and emitting devices through the water to cut mines from their moorings. They then float to the surface, where they can be destroyed by gunfire. This is the standard way to clear mines that detonate when ships strike them, the type found so far in the Gulf.

The Iranian Navy showed its helicopters in operations against more sophisticated mines, including acoustic types that are exploded by the noise made by passing ships. Such mines have not been discovered in the area. Other Iranian helicopters demonstrated a sonar search for mines and the use of depth charges against mines that explode when a passing ship raises the water pressure.

One helicopter pilot with 12 years' experience said he had trained at Norfolk. It is not clear how Iran manages to keep the U.S.-made equipment flying in conditions of intense heat and dust. Officers said they were searching for mines several hours a day during the operation. They said that parts, which wear out quickly, had to be purchased on the world market at high prices.

Swiss Court Rules U.S. Can Have Bank Papers

Reuters

LAUSANNE, Switzerland — The Federal Supreme Court, setting aside bank secrecy, cleared the way Thursday for bank documents relating to the Iran-contra affair to be given to U.S. investigators.

It rejected appeals by three key figures in the scandal against the release of the records.

U.S. officials expect the documents, relating to bank accounts at a Geneva branch of Credit Suisse, to be shed light on a Reagan administration operation to sell arms to Iran and divert the proceeds to the contra, or Nicaraguan rebels.

The appeals were filed by Richard V. Secord, the retired U.S. Air Force major general who was a key figure in the Iran-contra operation; Albert Hakim, the Iranian-born U.S. businessman who was Mr. Secord's partner; and Manueber Chorbartbar, the Iranian expatriate entrepreneur who acted as middleman in the arms sales.

The Supreme Court rejected an assertion by lawyers for the three that the U.S. Justice Department was seeking the records in connection with political offenses, which are not covered by the legal assistance treaty between the United States and Switzerland.

In Washington, Lawrence E. Walsh, the special prosecutor in the Iran-contra affair, said he was gratified that the Swiss courts had acted so quickly. Mr. Walsh said in a statement that Swiss authorities assured his office they would promptly turn over the documents.

The Justice Department asked the Swiss government in December to "freeze" any Geneva bank accounts used in the complex affair. The documents cover about 20 U.S., Iranian, Swiss and Saudi individuals and companies.

In its summary, the court said Messrs. Secord, Hakim and Chorbartbar had assisted Lieutenant Colonel Oliver L. North, then a member of the U.S. National Security Council, in arranging the sale to Iran of arms worth \$12 million.

The arms were delivered to Iran in four consignments between September 1985 and November 1986. The court said the amount paid by Tehran into a Credit Suisse account opened by Colonel North was more than \$12 million.

One of the Supreme Court judges raised the question whether the acts of which Colonel North was accused by U.S. officials were crimes under Swiss law. The treaty stipulates that as a general rule the offense to both countries.

The court, however, agreed that it was possible that the transfer of funds to the contra was illegal under Swiss law and said the U.S. request for assistance was valid.

Mr. Clairidge traveled to South Africa between April 9 and 13, documents show. He insisted that he did not solicit any aid for the contra, and that he had been instructed to reject any such offer, were made. He said that decision was made after Mr. Casey consulted with Mr. Shultz.

Mr. Clairidge testified that when he went to South Africa he learned that the offer was only to provide aid to a third country, which would train or assist the contra. He said the South Africans were prepared to do this only if they were reimbursed. South Africa did not identify the third country.

He said the decision against any South African aid for the contra was made after the "hullabaloo" over the mining of the Nicaraguan harbors.

"The administration could not be seen as being beholden to the South Africans in any way," he said.

U.S. Viljoen, minister-counselor of the South African Embassy, said Wednesday night that Pretoria would have no comment for the time being.

WORLD BRIEFS

Rebels Say Sudan Killed 600 Civilians

NAIROBI (Combined Dispatches) — About 600 civilians were killed last week by Sudanese government forces at Wau, in southern Sudan, in a radio of the Sudan People's Liberation Army reported Thursday in a broadcast monitored here. Sudan's government denied the charges. Sudanese troops rounded up the civilians on Aug. 11 and Aug. 12 in the Wau region and shot them, the report said.

In Khartoum, the minister of state for defense, Major General Fadlallah Burmah Nasir, said: "The report is baseless and totally untrue. This sort of rumor aims to foment strife. I say this on the basis of the information available to me." (A.P. Reuters)

Shamir and Ceausescu Fail to Agree

BUCHAREST (AP) — Prime Minister Yitzhak Shamir of Israel ended talks Thursday with President Nicolae Ceausescu of Romania, but said the "very substantial and profound discussions" failed to remove their differences on achieving Middle East peace.

Mr. Shamir left Bucharest after a three-day visit. He said that he had agreed with Mr. Ceausescu that Romania and Israel would continue efforts to remove points of dispute. He said they would continue to work on "appropriate ways in narrow the gap."

Mr. Ceausescu was the only East bloc leader not to sever ties with Israel the six-day war in 1967, and Mr. Shamir noted that Romanian contacts with both Arab and Israeli had aided Middle East diplomacy in the past. "It was useful in the period of the Camp David negotiations in 1977," he said. "I hope it will be useful in the near future."

For the Record

— Sri Lanka authorities have detained four men who occupied "key positions" in Parliament and have questioned about 500 people in their investigation of the grenade attack in Parliament on Tuesday. (UPI)

— Suspected Sikh militants shot and killed the principal of a school in Punjab as she traveled to work Thursday after three Sikhs were killed and three wounded overnight elsewhere in the troubled Indian state. (AFP)

— Workers in parts of Brazil went on strike Thursday, halting trains in Rio de Janeiro and most buses in Brasilia. But unions, which had called a 24-hour nationwide strike to protest government economic policy, said that in São Paulo, the main city, the strike was "a complete failure." (AP)

— A French Army Jaguar bomber crashed Thursday near a restaurant in the village of Les Baux-de-Provence in southern France, slightly injuring 16 persons, the police said. The two pilots ejected before the plane crashed by a crowded swimming pool near the restaurant. (Reuters)

— Sergei Grigoryants, a former Soviet dissident, has published the second edition of the magazine Glasnost, as a test of Mikhail S. Gorbachev's openness policy. The magazine, which was first published last month, contains articles on topics including emigration and the destruction of Soviet archives. (Reuters)

TRAVEL UPDATE

— Egypt has decided to stop requiring tourists to exchange the equivalent of \$150 (about 300 Egyptian pounds) for Egyptian currency upon entering the country. Economy Minister Youssif Mustapha was quoted by the Middle East News Agency as saying Thursday. (AP)

— A DC-9 cargo plane collided on the runway with a DC-8 cargo jet on landing near Newburgh, New York, on Thursday, damaging both aircraft and closing Stewart Airport, which is about 40 miles (64 kilometers) north of New York City. There were no injuries. (AP)

— The north-south corridor used by small aircraft over Los Angeles International Airport was closed Wednesday by emergency order of the Federal Aviation Administration to prevent possible collisions with jetliners. An FAA official said hearings would be scheduled at which pilots could argue for the reopening of the corridor. (AP)

Seoul Takes Firm Line Against Labor Violence

SEOUL — South Korea's chief prosecutor, speaking after police detained 126 strikers, called Thursday for harsh treatment of instigators of violence in the country's widespread labor protests.

Seven plants run by South Korea's largest conglomerate, Hyundai, reopened Thursday. But disputes continued at 455 worksites, and tens of thousands of workers remained idle. News media quoted the police as reporting fresh disturbances at 74 companies.

"The prosecution should deal resolutely with anybody who hurts social stability by committing acts of violence," Prosecutor-General Lee Chung Nam told other prosecutors called to discuss the four-week wave of labor turmoil.

Police detained 126 striking workers on Wednesday for allegedly staging violent protests. Officials said about half were later released.

A Hyundai spokesman said its shipyard and six other companies in the southern industrial city of Ulsan returned to normal Thursday with 70,000 workers reporting to work.

The Hyundai strike was settled Tuesday after the government intervened for the first time in a month of nationwide labor unrest. Most workers had been locked out Monday.

South Korean governments traditionally have worked with industry to hold down wages and make strikes illegal. The policy has been a major factor in the economic boom that began nearly two decades ago.

Wage increases, better working conditions and unions free of government control are the demands of striking workers. The workers began striking last month to widespread democratic reforms, including more labor freedom.

On Wednesday night, 2,000 workers of Daewoo Shipbuilding & Machinery Ltd., the nation's No. 2 shipyard, clashed with police in the southern city of Koje, news reports said.

Five policemen and a striking worker were injured.

Rail traffic on the west coast was disrupted late Wednesday when 400 striking coal miners occupied a railway station at Taechon, 80 miles (130 kilometers) southwest of Seoul, the reports said.

CRASH: Error by Crew Suspected

(Continued from Page 1)

Officials of the board said that the pilot, John Mauns, 32, who had more than 7,000 hours' experience in the cockpit, had no past penalties.

They also said that First Officer David Dods, 35, a Northwest employee for eight years, had had only one minor violation in his career.

Sources cautioned Wednesday that the information was sketchy because it was based on the first full reading of the cockpit instruments.

Because witnesses had reported seeing a ball of fire near the left engine before the plane hit the ground, early scrutiny was devoted to the condition of the engines.

On Wednesday however, investigators all but ruled out engine failure.

Sources said there were several possible explanations for the flames. One could be a turbine compressor stall, much like an automobile backfire, that would occur because airflow to the jet engine was blocked by the jet angle of the wings on the plane.

The preliminary assumption of U.S. investigators is that the crew members computed a takeoff speed that assumed a flap setting, then failed to set the flaps. When they reached what they thought was takeoff speed, they lifted the nose into the air.

"It looks like the airplane didn't want to fly," a federal source said. Northwest officials declined to comment on the reports of pilot error.

At the briefing, Mr. Lamber said that the investigation so far suggested there was no severe weather, that the plane was not overloaded, and that there was no evidence of fire in either engine.

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INQUIRY: 1984 Plan Involved Seeking South African Aid for Contras

(Continued from Page 1)

day, but was disclosed by government officials.

It was not clear how this shipment was arranged. The CIA has told the Iran-contra committee it had no role in it.

According to CIA documents, the idea of using South Africa was widely discussed within the administration and was eventually approved by Mr. Shultz. One CIA cable, in April 1984, said, "SecState has been briefed on the initiative and approved."

In his testimony, Mr. Clairidge insisted that the cables and discussion of a South African offer were based on a misunderstanding by the CIA. He said that when he eventually traveled to South Africa to discuss the matter, his conversations with officials led him to conclude there had never been an offer.

Mr. Clairidge was questioned at length about the matter in the closed hearing and was repeatedly confronted with CIA cables that questioners believed showed that South Africa had agreed to provide the aid.

A cable to Mr. Casey from a CIA official in South Africa said: "Spoke to [deleted] a few days ago about Central American-Nicaraguan situation. [Deleted] believes some independent help from the military here is possible both in training and equipment."

The cable said the CIA would be "offering behind the scenes advice of where to plug in and what assistance would be truly useful. However [deleted] remains open to other suggestions and approaches."

As traced in the documents and Mr. Clairidge's testimony, the dealings with South Africa began in January 1984 when Mr. Casey met in his office with a South African official whose name was blacked out from the text. Mr. Clairidge said he was brought to Mr. Casey's office to brief this official on Central America.

In March 1984, Mr. Casey wrote a memo to Robert C. McFarlane, then national security adviser, that listed South Africa as a possible source of equipment and material.

Within a month, however, the administration had begun to recant. An April cable quotes John McMahon, then deputy director of central intelligence, as saying that "there are some second thoughts around town as to the wisdom" of involving South Africa "in the al-

ready complicated Central American equation."

Mr. Clairidge traveled to South Africa between April 9 and 13, documents show. He insisted that he did not solicit any aid for the contra, and that he had been instructed to reject any such offer, were made. He said that decision was made after Mr. Casey consulted with Mr. Shultz.

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He said the decision against any South African aid for the contra was made after the "hullabaloo" over the mining of the Nicaraguan harbors.

"The administration could not be seen as being beholden to the South Africans in any way," he said.

U.S. Viljoen, minister-counselor of the South African Embassy, said Wednesday night that Pretoria would have no comment for the time being.

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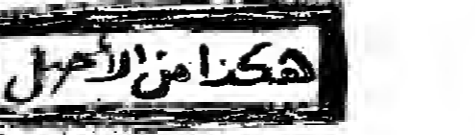
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Congress Projects Big U.S. Deficits For '88, '89

By Robert Pear
New York Times Service
WASHINGTON — The Congressional Budget Office has agreed with the Reagan administration's prediction that the federal budget deficit would drop dramatically this year. But, unlike the administration, it also projects big increases in the deficit for 1988 and 1989 unless Congress and the president take strong action.

The budget office estimated Wednesday that the deficit would fall to \$157 billion this year, from the record \$220.7 billion last year. The deficit has never fallen so much in a single year, according to government data.

Edward M. Gramlich, acting director of the budget office, said the decline in the deficit would occur because of "unexpectedly strong growth in revenues." The surge in tax receipts is occurring in part because many people sold stocks and other capital assets last year, before the rate on long-term capital gains was raised by the new tax law.

But the budget office, a nonpartisan agency, said the striking improvement in the deficit this year "will prove ephemeral" if tax and spending policies continue unchanged, because in that case, "the deficit will reach \$183 billion in 1988 and \$192 billion in 1989."

On Monday, the administration said that if Congress approved President Ronald Reagan's budget proposals, the deficit would decline slightly to \$154.4 billion this year, \$123 billion next year, and \$113 billion in 1989. Assuming no change in current tax and spending policies, the administration said the deficit would be \$161 billion next year and \$166 billion in 1989.

Mr. Reagan is taking credit for the expected deficit reduction. But Democrats say the sharp rise expected in the next two years confirms that his policies have saddled the nation with huge deficits.

A law signed by Mr. Reagan in December 1985 calls for the deficit to be reduced to large annual installments to achieve a balanced budget by 1991. But the Congressional Budget Office now projects a deficit of \$165 billion in 1991.

A joint report Wednesday by the budget office and the Reagan administration shows that, under a formula prescribed in the law, military programs would have to be cut by 13 percent, and most nonmilitary programs would have to be cut by 19 percent, to meet the statutory deficit target of \$108 billion for 1988.

Under the law as originally passed, such cuts would have been made automatically, but the Supreme Court struck down that procedure as a violation of the constitutional principle of separation of powers between Congress and the executive branch. Under an alternative procedure described in the law, Congress will consider a special bill making the cuts computed with the formula.



Demonstrators listening to a speech by Manuel Bustos, head of the National Workers Command, in Santiago.

Thousands Rally in Santiago Against Pinochet

The Associated Press
SANTIAGO — Several thousand workers and students chanted anti-government slogans and called for the fall of President Augusto Pinochet in a major demonstration against the Chilean military dictatorship.

The turnout for the Wednesday rally, the first this year, was far short of the 100,000 that organizers had hoped for. The demonstration, which was authorized by the government, was peaceful, but clashes broke out afterward when protesters marched through the streets, halting traffic, lighting small fires and jeering at the police.

Officers used tear gas and water cannons against the marchers. There were no reports of arrests or injuries.

The demonstration was organized by labor unions, who called for wage increases and an end to General Pinochet's rule.

Members of the crowd chanted anti-government slogans and, in a reference to General Pinochet, "He is going to fall." They filled about four blocks of a street north of central Santiago and spilled onto the sidewalks and a nearby hillside.

Addressing the crowd, Manuel Bustos, president of the National Workers Command, announced plans for a day of protest on Sept. 3 and a nationwide general strike on Oct. 7.

The National Workers Command is the country's main union federation. Mr. Bustos

reiterated the group's demand for an increase to the minimum monthly wage to 20,000 pesos (\$90). The minimum wage is now about 12,000 pesos.

He criticized the free-market economic policies of General Pinochet, who seized power in a 1973 coup, and called for free elections.

The government plans a yes-or-no ballot next year on a single presidential candidate to be picked by General Pinochet and other armed forces commanders.

Protest activity in Chile dwindled this year after three years of anti-government protests that prompted repression by the police and military.

Reagan to Meet With Contra Chiefs To Assure Them of U.S. Support

Compiled by Our Staff From Dispatches

SANTA BARBARA, California — President Ronald Reagan will meet with the civilian and military leadership of the Nicaraguan rebels next week in Los Angeles to assure the contras and their conservative supporters in the United States that the administration does not intend to abandon them, the White House announced Thursday.

The administration has been struggling for more than two weeks to reassure the contras that they would be taken care of, even though Mr. Reagan and five Central American presidents have separately proposed peace plans that would end U.S. support for the rebels if Nicaragua agrees to democratize.

Several prominent conservative Americans have criticized Mr. Reagan for seeming to abandon the contras. And when the new six-person contra directorate visited Washington earlier this month, they were embarrassed that Mr.

Reagan had announced his peace plan on the eve of their meeting. At the Los Angeles meeting next week, the contra leaders will pose for pictures with the president, brief him on the fighting and then answer questions from the news media, according to Martin Fitzwater, the White House spokesman.

"Make no mistake about it," Mr. Fitzwater said. "We want to demonstrate to conservative leaders and to the directorate and to the nation that the president will not desert the contras."

Alfredo César, a rebel spokesman, said Wednesday that the contras hoped to obtain a commitment for a new U.S. aid package that could be passed by Congress but used only if the Sandinistas do not live up to the peace agreement they signed Aug. 7 along with Costa Rica, Honduras, El Salvador and Guatemala.

The plan says that by Nov. 5, a cease-fire should be negotiated in

both Nicaragua and El Salvador, aid to insurgents such as the contras must stop, and Nicaragua must implement democratic reforms such as press freedoms, new elections and lifting of the state of emergency.

Meeting on Peace Plan
The New York Times reported earlier from San Salvador.

Foreign ministers of the five nations that signed the peace plan were holding two days of meetings in San Salvador on Wednesday and Thursday in the first formal step toward carrying out the plan. A key obstacle has already appeared for the treaty: continued U.S. assistance to the contras and disagreement over whether that aid must stop before political liberties are restored in Nicaragua.

Top contra officials were expected to arrive in San Salvador on Thursday, reportedly hoping to meet with President José Napoleón Duarte of El Salvador.

Allies Weigh Meeting on Arms, Gulf

By Julian Nundy
International Herald Tribune

PARIS — The United States and its allies are considering holding a high-level meeting next month to review issues including nuclear arms in Europe and tension in the Gulf, European diplomats said Thursday.

They said that a probable venue for the meeting, involving the United States, the other 15 members of the North Atlantic Treaty Organization and Japan, would be New York during the United Nations General Assembly session. Traditionally, foreign ministers of many UN member states and some heads of government attend the General Assembly opening each year.

The sources said that although no firm plans had been made, the meeting could be arranged to follow talks between the U.S. secretary of state, George P. Shultz, and the Soviet foreign minister, Eduard A. Shevardnadze. These talks are scheduled for Sept. 11 and 12.

Reports from Bonn and Tokyo, quoting diplomatic sources, said that Mr. Reagan had suggested a meeting of Western heads of government but officials in other capitals said this did not appear likely at the moment.

In Washington, however, administration sources said the idea had developed from a Japanese proposal for Prime Minister Yasuhiro Nakasone and Mr. Reagan to meet for dinner during the UN session to underscore the Japanese leader's relationship with Mr. Reagan.

The sources said that proposals for a wider meeting had "snowballed" from this but that nothing had been arranged so far.

In London, one official said that "there has been talk of NATO ministers, at one level or another, meeting at some point" before the next stage of missile-reduction talks.

A source in Brussels said that discussions were focused on talks "between foreign-minister level and a putative summit."

The Shultz-Shevardnadze meeting, if successful, may be followed by a summit meeting between President Ronald Reagan and Mikhail S. Gorbachev. A U.S. Soviet summit meeting is expected to seal an accord on eliminating intermediate-range nuclear missiles in Europe.

Apart from missiles, a meeting of Western allies could deal with military cooperation outside the NATO arena.

Several European NATO allies turned down a U.S. request this month to send minesweepers to the Gulf to help the U.S. Navy escort reflagged Kuwaiti tankers past the Iran-Iraq war zone.

Later, Britain and France announced that they would send minotauring vessels to accompany ships of their own navies already in the region.

Some European diplomats said that the publicity that the United States accorded to such requests for cooperation created domestic political problems. Similar considerations could hamper the prospects for the participation of some government leaders at the proposed Western meeting, they said.

In Paris, officials said that President Francois Mitterrand had not received any approach from Mr. Reagan for a meeting. A diplomatic source said the reports of such a proposal from other capitals could be "a trial balloon" to gauge interest among the allies.

Strikers Face New Ultimatums From South Africa Companies

The Associated Press

JOHANNESBURG — Mine owners, in their toughest response yet to a strike by black workers, announced Thursday the closure of a gold mine shaft, threatened to shut down another and planned a lockout at a third.

In a separate strike, the post office said it had begun dismissing 14,000 black employees and hiring replacements.

Mine owners say about 225,000 miners are striking at 30 coal and gold mines. The National Union of Mineworkers says 340,000 miners are striking at 44 mines.

Anglo American Corp., the nation's biggest gold producer, said steps to close a shaft at its Vaal Reefs gold mine would begin immediately. Between 2,000 and 3,000 union members decided Wednesday to defy an ultimatum to return to work rather than break the 11-day strike.

Anglo American also said it planned to close a shaft at its Western Holdings gold mine unless 4,000 strikers reported for work Thursday and Friday. It says both shafts involved in the ultimatums have been unprofitable.

Another company, Johannesburg Consolidated Investments, said it planned to lock out 3,000 strikers at part of its Randfontein Estates gold mine unless they returned to work Friday.

Anglo American said workers at the low-profit Vaal Reef shaft in western Transvaal Province "elect not to return to work, have resigned and are going home."

Marcel Golding, a union official, said the workers viewed Anglo's ultimatum as "a subterfuge" designed "to force them to accept terms and conditions which they find unacceptable."

He said the miners would leave over the next few days after receiving final paychecks, with deductions for the days they were on strike and for room and board at the hostels where they live.

Most black miners support large families that live in poor, remote rural areas. The workers live in hostels on mine property and see their families about once a year.

Mr. Golding said any strike settlement would have to include provisions for the Vaal Reef miners who had lost their jobs.

Miners are seeking 30 percent wage increases and other benefits. The union says miners now get an average wage of \$170 a month, while mine owners say the average is about \$250 a month.

The union said one of six major mining houses, Gemcor, was threatening to fire 24,000 workers at four mines if they do not return to work Thursday night. The company denied an ultimatum had been issued but said failure to return to work would result in disciplinary hearings.

The Post Office and Telecommunication Workers' Association said Thursday that the post office had begun the "systematic dismissal" of 14,000 black strikers. Their strike began to late June over complaints that three workers had been dismissed unfairly.

"The authorities have opted for firing men with 20 to 30 years experience," a union statement said, "instead of addressing genuine grievances."

The deputy postmaster general, Johann de Villiers, said his agency had no option but to hire new employees to maintain essential services. He said the post office was willing to negotiate with the union but would not necessarily rehire strikers.

At U.S. Urging, Japan May Drop Plan To Design and Produce a Jet Fighter

By Clyde Haberman
New York Times Service

TOKYO — Japan is likely to yield to U.S. pressure on an important military issue by abandoning long-discussed plans to develop a new fighter plane on its own, U.S. and Japanese officials say.

Instead, they say, Japan will probably agree to U.S. demands for some form of joint program, although crucial details have yet to be worked out.

It is not clear, for example, whether the Japanese will be responsible for the basic design of a new plane, as manufacturers here want, or whether they will accede to U.S. proposals that they buy and remodel U.S. aircraft.

The Japanese Defense Agency hopes to settle the matter next month before a trip to Washington that is being arranged for its director general, Yuku Kurihara.

Japan still could decide to build a fighter entirely by itself, but a Japanese official called that prospect "very unlikely."

The issue has grown in significance over the last few months, assuming an urgency even beyond military considerations. It has become linked with increasingly unfriendly trade relations between the two countries.

Those relations, in turn, have been exacerbated by the much-publicized sale of militarily sensitive technology to the Soviet Union by a Japanese company, Toshiba Machine.

Prime Minister Yasuhiro Nakasone demonstrated Japan's sensitivity to possible hostility in the United States when he said in a recent television interview, "We should place the highest priority on stabilized security ties with the United States when we think about the Toshiba case and the next fighters."

In Japan, the aerospace industry and the Air Self-Defense Force insist that they have reached self-reliance in critical technologies such as computers and stealth systems that elude radar detection. They also insist that they need to build their own jet fighter from scratch to train engineers.

But U.S. officials have complained that this is an example of the Japanese nurturing an industry at others' expense. They argue — although Japanese officials disagree — that United States manufacturers can provide jets that meet Japan's needs at lower costs.

As an alternative, the Americans have left open the possibility of entering into joint development of an entirely new plane.

Earlier this year, it seemed probable that Tokyo would decide to strike out on its own, but mounting trade pressures have turned the tide. On Tuesday, a delegation of Japanese aircraft makers left for Washington with the Defense Agency's blessing to discuss possi-

Perkins Urges Change

John Battersby of The New York Times reported from Johannesburg.
Edward J. Perkins, the U.S. ambassador to South Africa, said Wednesday that Western nations must continue pushing for "the complete elimination of discrimination and exclusion in South Africa."

But he voiced reservations about sanctions and divestment and cautioned against creating new obstacles to change instead of eliminating existing ones.

"We must forcefully advocate a society which is democratic, pluralistic, and economically viable, but which is determined by South Africans," Mr. Perkins said in his first policy speech since arriving here nine months ago.

His remarks followed a warning by President Pieter W. Botha last week that the government was considering restricting the movement of some Western diplomats because of what he called their promotion of extra-parliamentary politics.

Mr. Perkins, who is black, said the almost complete breakdown in communication between black and white was one of the "greatest barriers to progress in South Africa."

The ambassador said he had no doubt apartheid would be eliminated but conceded that there were many obstacles blocking change in South Africa.

"If I were to choose the most poignant thing I have witnessed since my arrival here it would be the lack of knowledge and understanding among South Africans," he said. "You live in two different political and economic worlds. You come from several different social traditions. And you are only now getting to know each other."

Mr. Perkins praised President Abdou Diouf of Senegal for hosting talks last month between dissenting Afrikaners and officials of the African National Congress, a guerrilla-backed organization. The talks were condemned by Mr. Botha last week as an unacceptable form of extra-parliamentary activity.

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Pope Sends Letter Seen As Conciliation to Jews

By Joseph Berger
New York Times Service

NEW YORK — Pope John Paul II has written an emotion-laden letter that addresses Jewish suffering during the Holocaust and appears to be a conciliatory gesture toward Jews angered by his audience with President Kurt Waldheim of Austria.

The letter, released Wednesday, is notable both for its language evoking Christian sorrow over the Holocaust and for its timing. It comes less than two weeks before a papal meeting with Jewish leaders to discuss tensions arising since the June 25 Waldheim visit, the Holocaust and the failure by the Vatican to recognize the state of Israel.

Russell Shaw, a spokesman for the bishops' conference, which released the pope's letter, said the letter was "intended to contribute further to correcting the misconceptions and clarifying the confusion arising from the Waldheim controversy, and looking in the other direction, trying to set the stage and help set a cordial atmosphere for the meeting" at Castel Gandolfo.

The letter also comes three weeks before a ceremonial meeting between the pope and Jewish leaders to Miami that has been impeded because of the Waldheim audience. Roman Catholic officials said Wednesday that the letter appeared aimed at reducing the strain between these meetings, and warm reactions to it from several Jewish spokesmen suggested that the atmosphere was indeed easing.

The letter was written Aug. 8 to Archbishop John L. May of St. Louis, Missouri, president of the National Conference of Catholic Bishops. In it, the pope said: "With our hearts filled with this unyielding hope, we Christians approach with immense respect the terrifying experience of the extermination, the Shoah, suffered by the Jews during the Second World War, and we seek to grasp its most authentic, specific and universal meaning."

At another point in the three-page letter, the pope said: "There is no doubt that the sufferings endured by the Jews are also for the Catholic Church a motive of sincere sorrow, especially when one thinks of the indifference and sometimes resentment which, in particular historical circumstances, have divided Jews and Christians."

The outcry over the papal audience with Mr. Waldheim stemmed from his World War II service to the German army.

Jewish spokesmen also have been upset by a number of papal actions that they said have given short shrift to the Jewish experience in the Holocaust.

Two weeks ago, Jewish leaders disclosed that the pope had agreed to meet with them at the Vatican to discuss a range of issues that could include the Waldheim visit, the Holocaust and the failure by the Vatican to recognize the state of Israel.

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Massacre Signals Rising Violence in U.K.

By Warren Geller
International Herald Tribune

LONDON — The transformation of a tranquil town into the scene of a bloodbath Wednesday came as another shock for a nation already troubled by a rising crime rate.

On Wednesday, a 27-year-old gunman, wearing combat gear and armed with a Kalashnikov automatic rifle, rampaged through his hometown of Hungerford, a market town 60 miles (95 kilometers) west of London, killing 16 persons, including his mother, and injuring 16.

The man, said by neighbors to be a loner and an avid gun collector, later committed suicide while bolted-up to a school. Police forces, which had cordoned off the center of town and surrounded the school, had not fired a shot.

"We are determined to learn all the possible lessons from this tragic shooting incident," Douglas Hogg, an official in the Home Office, said Thursday. He said that Britain's gun-control laws, which are among the most stringent in the West, would be reexamined.

"We must learn from this awful incident," he said. He added that "if changes need to be made, either in law or practice, Britain will do so."

The police and officials at the Home Office, which handles Britain's domestic affairs, are expected to seek a review of regulations governing the licensing of arms, particularly semi-automatic weapons, under the Firearms Act of 1968. Automatic weapons can only be approved through direct application to the home secretary, following a police review.

Of about a million guns in circulation, according to the Home Office, most are pistols, rifles and shotguns. Owners of such weapons generally must undergo a six-month police review of the reasons for carrying the arms and the owner's ability to use them.

But Britons were looking Thursday beyond the question of gun-control laws.

"Britain is definitely becoming more violent," said Brian Bell, a London taxi driver. "Fifteen years ago I used to tell my riders, when they asked, that they had nothing to worry about walking around the city. Now I

have serious second thoughts. It's still too damn easy for people to get guns."

In 1986 in the greater London area, there was a 7 percent increase in sexual offenses, a 12 percent increase to homicide and a 7 percent increase to robbery over 1985 levels. Last year, 210 cases of homicide were listed, up from 187 cases in 1985.

Stephen Shaw, a psychiatrist at Stanley Royd Hospital in Yorkshire, who specializes in criminal cases, said that the Hungerford gunman may have entered an "acute psychosis whereby he saw himself as Rambo," the hero of a U.S. war film.

"In addition to an underlying illness one has to see the imitative nature of his crime," he said.

Last week, the British Broadcasting Corp. said that in its study of television programs broadcast in Britain over a recent four-week period, U.S. programs were more than three times as violent as British programs.

The BBC defined violence broadly, from murder and shootings to swinging of fists.

Burial of Hess Is Postponed As Family Considers Autopsy

Reuters

WUNSDIEDEL, West Germany — Rudolf Hess, Hitler's deputy, will not be buried this week in Wunnsiedel as expected, the mayor of the town said Thursday night as Hess's family considered whether to order a second autopsy.

"There will be no funeral this week," Mayor Karl Walter said after an unannounced meeting at the town hall with Hess's son, Wolf-Rüdiger Hess, and former lawyer, Alfred Seidl.

Mr. Seidl said that Hess's son would make a statement from Munich on Friday on whether the family would seek a second autopsy.

Mr. Walter had said earlier that he would meet with Hess's son on Friday and he had predicted that a funeral would be held for Hess on Saturday.

Hess was found

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

23 Men Remain Hostage

Charles Glass, the American journalist kidnapped in Lebanon two months ago, is out and safe. His return is a matter of great general relief...

Good News From Seoul

The government of South Korea, which two months ago made a public commitment to democracy, now has enlarged the commitment by supporting economic fairness...

America's Future in Space

Anyone interested in America's troubled space program should read the report just filed by astronaut Sally K. Ride after an 11-month study...

Other Comment

NATO Should Pick Wörner

Lord Carrington of Britain has been an exceptionally good secretary general of the North Atlantic Treaty Organization...

defense establishment—and, for that matter, the sentiments of influential defense experts in France and Britain.

Colonel North's Now in Color

Lieutenant Colonel Oliver North, who less than a year ago tolled to the White House basement directing the cloak-and-dagger schemes...

It's Naive to Even Consider Negotiating With Khomeini

By Hossein Askari and Charles H. Wilbanks

WASHINGTON — At least one lesson emerges from this summer of Iran-contra hearings and military maneuverings to the Gulf: The United States still has no clear understanding of the internal realities of Iran...

Although the war is a risky business in terms of popularity, Iran's high birth rate provides a large cadre of youth who, indoctrinated early, will be true believers and avid supporters of a clerical government...

of the Middle East. Ayatollah Khomeini is concerned with the spread of his vision of Islam, both for reasons of religious conviction and for political and revolutionary imperatives.

Islam's Struggle Involves Not Just Sunni and Shiite

By Shireen T. Hunter

WASHINGTON — The carnage at Mecca two weeks ago has been interpreted in the Western world as a clash between two branches of Islam and, simultaneously, between two historic adversaries...



The South American Militaries Are at a Crossroads

By Juan Somavia

SANTIAGO — Just eight years ago, only two democratic governments ruled in South America: Venezuela and Colombia. Today, the situation is exactly the opposite...

Is this possible? A politically pluralistic group of South Americans led by four former presidents: Carlos Andrés Pérez of Venezuela, Bernardo Benetton of Colombia, Ovidio Huéscar of Bolivia...

1986, Argentina and Brazil initiated economic and technological cooperation agreements, stating that they represented a commitment to go beyond the historical conflicts between the two countries...

Recall Habib and Dismiss the Contras

By Tom Wicker

NEW YORK — No one should be surprised that the Reagan administration is backing away from the new Central American peace plan, since President Ronald Reagan has never wanted a negotiated settlement on any terms but his own.

Contadora agreement... We have effectively blocked Contadora Group efforts to impose the second draft of the Revised Contadora Act...

The military has a role in confronting rebel forces where they exist, but the long-term solution can only be political. Particular importance must be given to preventing the regionalization of conflicts and avoiding superpower involvement in them.

As a First Step, Let La Prensa Publish

THE Arias peace plan has its target date Nov. 7. But if doubts are not to overwhelm hope there will have to be concrete steps long before then...

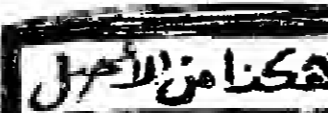
But the contras represent a policy that has failed militarily on the ground in Nicaragua and that may not prevail politically in a showdown congressional vote.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Diver Tests Device PARIS — M. Maurice Fernet carried out some successful experiments [on Aug. 20] in walking under water along the bed of the Seine without the aid of a diver's dress...

1937: U.S. Ship Shelled SHANGHAI — An American sailor was killed and 18 others wounded [on Aug. 20] when a shell struck the Augusta, flagship of the United States Asiatic Fleet...

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1959-1987 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUERNER, Publisher JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ABE, KATHERINE KNORR and CHARLES MITCHELL, Deputy Editors • CARL DEWERTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Pages



New Aquino Assassination Trial Marked by Inertia

By Seth Mydans
New York Times Service

MANILA — "Hey, boss, we've got a crowd," said a defense lawyer the other day as a reporter walked in to the empty courtroom where, for the third time, lawyers were trying to determine who killed Benigno S. Aquino Jr. four years ago.

The reporter took a seat beside the other spectators: two of the 40 defendants and their deferential guard, who were sharing the day's newspapers.

The defense lawyer, Rodolfo Jimenez, passed the reporter a note on a slip of yellow paper.

"Your question: What is going to happen?" the note read. "My answer: Nothing. Nothing is happening. Nothing is going to happen."

The still-unsolved killing of Mr. Aquino on Aug. 21, 1983, as he

returned to Manila after three years in the United States, is now seen as the spark that led to the downfall of his political rival, President Ferdinand E. Marcos.

Mr. Aquino's widow, Corazon, announced her presidential candidacy in December 1985, a day after all 26 original defendants were acquitted in a trial manipulated by Mr. Marcos.

The reopening of the trial under the new administration has slowed to an anticlimax as the defense has delayed the proceedings and as new witnesses, still fearing for their safety, have failed to come forward.

The nation, too, has moved on to more immediate concerns, and with the departure of the former president, whom Mrs. Aquino has called her "No. 1 suspect," some people express a sense that justice has already been done.

"He has his own statue now, and his wife is the president," said an office worker, referring to Mr. Aquino. "Maybe that is enough for him."

"I think maybe it is already too much trouble if we say what we did," another office worker said. "It is like bowing. If you knock down one, so many others will fall, and that may not be a good thing."

Mrs. Aquino has distanced herself from the case and never mentions it, according to her spokesman, Teodoro Benigno.

Mrs. Aquino was dealing with a transportation strike, attacks by Communist guerrillas and ultimata from Muslim separatists the other day as Technical Sergeant Jorge Tabayag testified to confirm that he took affidavits from the defendants nearly four years ago.

During a recess, Mr. Gonzales said, "We have to retrace everything from the very start since the defense has opted to refuse admission of evidence that is already in."

"We have to establish the death first," he said. "According to the defense, we have to prove even the identities of the defendants."

Antonio Coronel, the lawyer for the most prominent of the defendants, General Fabian C. Ver, said, "We're not going to be happy in any way. Let him carry it by himself."

General Ver, who fled the country

with Mr. Marcos, might be willing to return to face the charges if the government asked him to, Mr. Coronel said.

Mr. Gonzales said that "unless we stumble on evidence along the way," there was little hope of pinpointing the actual killer, even if the prosecution can prove a military conspiracy in the assassination.

The 26 original defendants were arraigned in February after the Supreme Court declared a mistrial in their earlier acquittal.

In April, 14 more defendants were added to the docket, including the former minister of air transport, Jesus Singson, and the former tourism minister, Jose Aspiras, who is now a member of Congress.

The defense contends, as Mr. Marcos did from the start, that Mr. Aquino was shot by a Communist gunman, Rolando C. Galman, who eluded tight security during the former senator's arrival at Manila International Airport and who was shot dead by soldiers.

"We have stumbled on some new evidence," Mr. Gonzales said, "but people refuse to come out. The fear is still there."

In a recent interview in Honolulu, where he is in exile, Mr. Marcos brushed aside accusations that he ordered his rival killed.

"Wasn't you a participant in the

conspiracy to kill Benigno Aquino?" he pictured God asking him after he died. "And of course, I'd tell him, 'You know better than that, Lord.'"

Aquino on Bank Note

Mr. Aquino is featured on a new Philippine bank note, Reuters reported Thursday from Manila. His face is shown on the front of the yellow and black 500-peso (\$25) note released by the Central Bank.

The bank recalls his career as a journalist and politician. It is the first Philippine bank note larger than 100 pesos.

Anti-Nuclear Measure

Half of the 24-member Philippine Senate introduced Thursday a bill to ban nuclear weapons from the country, which is the site of two major U.S. bases believed equipped with nuclear warheads, Reuters reported from Manila.

The bill, which if enacted would have severe repercussions on Manila's relations with the United States, is backed by several senators close to Mrs. Aquino.

The bill would outlaw the import of nuclear arms "into the country or within its territorial waters whether in transit or disembarkation" and includes Philippine airspace.

It also bans the storage or possession of any nuclear weapon.



Moslem Leader Ready to Talk About Peace

Dimas Fundato, left, a leader of a splinter group of the Moro National Liberation Front, said Thursday he had returned to the Philippines from exile to help the government find a solution to its 15-year conflict with his fellow Moslem insurgents in the southern part of the country. The chief negotiator for the government, Emmanuel Pelaez, right, welcomed Mr. Fundato's offer.

Solidarity to Use U.S. Aid on Health

WARSAW — Poland's outlawed Solidarity trade union will spend a \$1 million U.S. grant on health care needs, its leader, Lech Walesa, said in a letter made public Thursday.

"One of the painful issues of life in Poland," the letter said, "is the impoverished health care. We have decided to earmark the entire sum

allocated by the U.S. Congress to social needs."

The letter was sent to Congress on Aug. 8. A government spokesman, Jerzy Urban, said Tuesday that the Solidarity leadership had become paid agents of an alien power and had committed "political hara-kiri for money" by accepting the U.S. grant.

solidarity to use U.S. aid on health care needs. The letter was sent to Congress on Aug. 8. A government spokesman, Jerzy Urban, said Tuesday that the Solidarity leadership had become paid agents of an alien power and had committed "political hara-kiri for money" by accepting the U.S. grant.

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WEEKEND

- American Conductors
- Web of Intrigue in Italy
- Movies for Teen-agers

International Herald Tribune

CRITICS' CHOICE

LONDON

Images of a Foreign Place

Why is Canaletto's London light and airy, while Whistler's is nocturnal and foggy? That is one of the questions that the art historian Malcolm Warner sets out to answer in the show "The Image of London: Views by Travelers and Emigrés 1550-1920," at the Barbican Art Gallery through Oct. 18. Other famous artists who recorded what they saw in and felt about London — sometimes spending great time and effort — are Doré, Monet, Pissarro, Derain, Cézanne and Toulouse-Lautrec. The show comprises more than 250 works of art, juxtaposed with literary descriptions, period foreign maps and contemporary illustrated travel literature and guides.

EUROPEAN TOUR

Return of the Philadelphians

The Philadelphia Orchestra under its music director, Riccardo Muti, opens a nine-city, 13-concert European tour with its first appearances in Helsinki since 1955 — concerts Aug. 27 and 28 in Finlandia Hall. On Aug. 30 and 31 come the orchestra's first appearances at the Salzburg Festival, followed by concerts at the Alte Oper in Frankfurt (Sept. 2), La Scala in Milan (where Muti is also music director, Sept. 3), the Lucerne Festival (Sept. 5 and 6), the Philharmonie in West Berlin (Sept. 7 and 8), the Amsterdam Concertgebouw (Sept. 9), the Philharmonie am Gasteig in Munich (Sept. 11) and the Théâtre Musical de Paris-Châtelet (Sept. 12). The repertoire includes Berlioz's "Roman Carnival" overture and "Symphonie Fantastique," Stravinsky's 1919 "Firebird" suite, Hindemith's Symphony in E flat, the Nocturno for Strings and Harp by the American composer Irving Fine, and works by Beethoven, Brahms, Strauss, Respighi and Verdi. The orchestra last toured Europe in 1984.

NEW YORK

Exploring the Dreyfus Affair



One of the most tumultuous events of modern French history, the Dreyfus affair, will get a thorough airing in a show at New York's Jewish Museum. "The Dreyfus Affair: Art, Truth and Justice" will explore all aspects of the case of Captain Alfred Dreyfus, falsely accused of treason, convicted, cleared and finally pardoned and rehabilitated into the French Army in a political scandal that rocked turn-of-the-century France. The exhibition, which runs from Sept. 13 through Jan. 14, includes films, paintings, sculpture, newspapers and other publications, posters, documents and memorabilia. Among the major artists represented are Degas, Pissarro, Toulouse-Lautrec, Rodin, Félix Vallotton and Emile Gallé.

150 Years of Tiffany Creations

A series of galas and exhibitions is planned for the 150th anniversary of the silver, jewelry and decorative arts designers Tiffany & Company, which first gained worldwide attention at the 1876 Paris world exhibition. After a gala on Sept. 14 at the Metropolitan Museum, an exhibition at the museum, including about 20 objects of silver and gold made by Tiffany between 1850 and 1900 as well as drawings relating to the design and realization of the objects, runs from Sept. 16 to Jan. 10. (The world's largest collection of Tiffany glass is also to be found in New York, as part of the New York Historical Society's permanent collection at Central Park West between 76th and 77th streets.) Other exhibitions include: "The Silver of Tiffany & Co., 1850-1987" at the Museum of Fine Arts in Boston from Sept. 9 to Nov. 8; "Tiffany: 150 Years of Gems and Jewelry" at the Field Museum of Natural History in Chicago from Nov. 7 to Feb. 6; and "Marks of Achievement: Four Centuries of American Presentation Silver" at the Houston Museum of Fine Arts, which opens on Oct. 9.

A Red Grooms Carnival

Red Grooms, who at 50 is one of the United States' favorite artists, is being given a major retrospective at the Whitney Museum of American Art in New York, where 55 of his sculptural environments can be seen through Oct. 18. The show has transformed the Whitney's fourth floor into a carnival of garish colors, burlesque forms and raucous sound effects. The works, known as sculptio-pictoramas, include his historical satire, "City of Chicago"; his most ambitious site recreation, "Ruckus Rodeo"; and "Ruckus Manhattan," which is represented by such and "Ruckus Manhattan" (photograph, with Grooms), "City of New York Marine and Aviation Ferry," "Woodworth Building" and "Wall Street." Grooms uses bits and pieces of cloth, lace, tapestry and rugs, paper, cardboard, canvas, chicken wire, bubble plastic insulating material, wood and various metals to make his works, many of which the viewer can walk through.

DUBLIN

Irish Women Artists

Irish women show their talent in three shows here. Two (at the National Gallery of Ireland and the Hugh Lane Gallery) are devoted to works of former centuries, but tend to strain credibility and the criteria of quality by showing such watercolorists as the Duchesses of St. Albans and Leinster. The third (at the Douglas Hyde Gallery of Trinity) features works of this century. Bruce Arnold, writing in the catalogue for the joint show, calls Mainie Jellett (1897-1944) "the single greatest force for change in art in Ireland during the two world wars." Among the contemporary artists being shown are Anne Madden, Kathy Prendergast, Anna Ritchie, Camille Souter and Mary Fari Powers.

(Michael Gilson)

A Model for Great Museums

by John Russell

CHICAGO — The redesigned and re-installed galleries at the Art Institute of Chicago are by common consent a model of what such things should be. Not only do we see great and famous works of art in profusion, but we are led to look with fresh eyes at others, not so famous and perhaps not always so great, that have been placed in such a way as to hold our attention. The adventure speaks throughout for a curatorial intelligence that is as radical as it is momentous. At every turn we are enriched, and when we are all done with the tour we walk out with a headful of new ideas and a sweet persistent exhilaration. What more can we ask of a museum?

The 42 galleries constitute, in effect, a museum within the museum. They offer us a fundamental re-reading and re-shaping of the Art Institute's holdings of European art from around 1450 to 1900. Earlier installations of the material had somewhat skirted the central fact about it, which is that where European art is concerned the Art Institute is very strong indeed in the 19th-century and relatively (or intermittently) weak elsewhere.

One way to deal with that is to give each period roughly equal time and hope that nobody will notice the ups and downs that result. Under the new dispensation, which we owe to James N. Wood, the director of the Art Institute, Richard D. Brettel, curator of European painting, and Douglas Drueck, curator of prints and drawings, there is no trace of any such tendency. The number of works on view has been cut by a third, and the representation of the 19th century has been doubled. The collection is shown in strength, therefore, with a bunched power in the last three decades of the 19th century that would be hard to equal anywhere.

Furthermore, the redesigning of the galleries has made it possible for prints and drawings and paintings on paper to be shown almost side by side with oil paintings. Many a provocative comparison results, together with others that we have often imagined but never expected to see, in view of the low levels of light that are now mandatory for the display of works on paper.

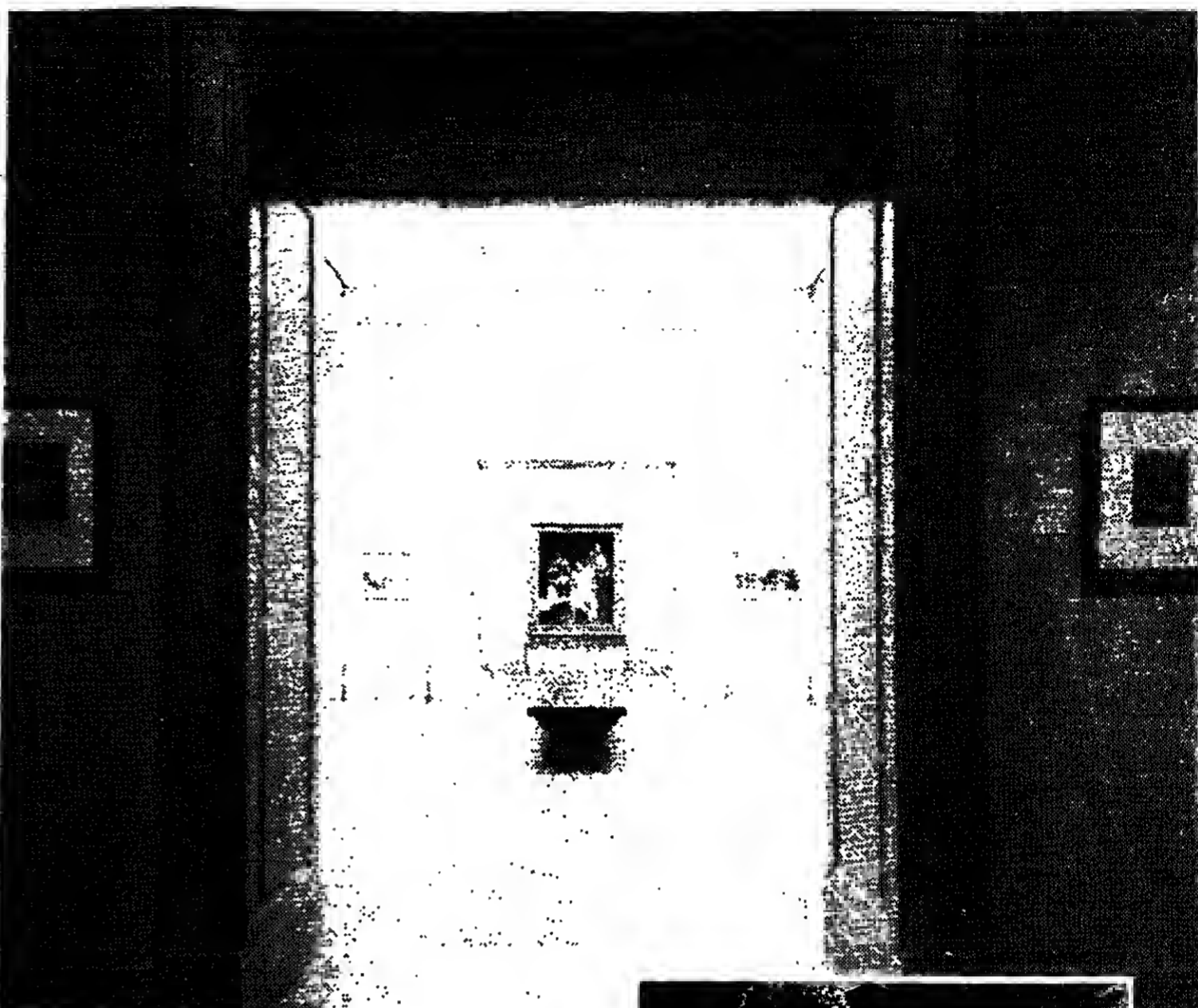
This is the more welcome in that during the long curatorship of the late Harold Joachim (1958-83) the Art Institute built up a collection of works on paper that ideally complements its monumental holdings of European 19th-century painting. Brettel said lately that the Art Institute's collection of French Impressionism is "in a sense, the most representative in the world. The Musée d'Orsay possesses a larger and finer collection of paintings, but has very few prints or drawings by the Impressionists, and none of the other three great American collections — in Boston, New York or Washington — have either the range or depth in painting, drawing and printmaking."

This is a big claim, but the new installation supports it. From the moment that we get to the top of the staircase and see in the distance Seurat's "Sunday Afternoon on the Island of La Grande Jatte" (newly re-framed in the style that Seurat himself favored) we have a feeling that nothing is going to go wrong. And it doesn't, either. There is nothing flimsy about a museum that can hang six of Monet's "Haystacks" of 1891 side by side, flank them with no fewer than 10 other Monets and round off the room with five major Cézannes and six substantial paintings by Gauguin.

That particular room is necessarily a large one, but the new installation is just as impressive on the scale of what used to be called a collector's cabinet. It is full, moreover, of works that tease and provoke on a very high level. One such is the large, unfinished and enigmatic study of female bathers that dates from the last decade of Degas's working life. Executed in pastel and charcoal on large sheets of tracing paper, pieced together and mounted on board, it is the very reverse of the easy, accessible Degas that wins every heart in the auction room.

It is problematic, incoherent and difficult to read. The women in the water looks like a hippopotamus. Two of the others could be wretches, not bathers. There is something wonderfully perverse about the use of tracing paper, that most insubstantial of supports, for figures that are some of the most monumental in 19th-century art, and certainly among the strongest ever attempted in pastel. But we know it for the work of a great artist who never stopped growing.

In the adjacent corridor in which the level of light allows for the display of related drawings and works on paper, many a surprise is in store. If we think of



drawing in terms of marks in graphite on fine paper, there is Toulouse-Lautrec's "Macarona in Jockey Costume" to prove that "works on paper" can be every bit as arresting as works on canvas. In Cézanne's late watercolor of three skulls the dim light brings out the full intensity not only of the bone-white skulls but of the wild chromatic background against which they are set.

There are private statements, like the erotic monotype that Degas gave to the critic Philippe Burty. And there are recent acquisitions, like the illustration by Renoir for Zola's novel "L'Assommoir." This is a lively little scene, with a feathery touch that we recognize at once as Renoir's, but it does not even begin to evoke the gross, heavy-muscled women that Zola brought to unforgettable life on the page. And sometimes the corridor takes over the function of the bigger galleries and shows us a small masterpiece of painting that demands to be looked at closely. The supreme example of this may be the final study by Seurat for his "Bathing Party at Asnières," where the freshness of the limpid, high-keyed paint reminds us that, because of the darkening of some of his pigments, some of Seurat's great finished statements no longer look quite as he wished.

The new installation is not chronological. The Art Institute has a recent acquisition, "Master Dolores" by Dieric Bouts. It has lately cleaned its "Annunciation" by the Maître de Meulan to excellent effect. It has a lindenwood Madonna, dated around 1500, by a follower of Veit Stoss that is always a pleasure to see again. But these things do not turn up at the outset. They are placed immediately after the great room devoted to Monet, Cézanne and Gauguin. Thereafter, we work our way forward, with many a stimulating

Continued on page 9

Manet's "Mocking of Christ" seen through the doorway of a corridor hung with drawings at the Art Institute of Chicago. Right, Corot's "Interrupted Reading."



Looking for Literary Heirs of Italo Calvino

by Sergio Perosa

ON HIS sudden death two years ago, Italo Calvino left no true literary children, only *nipotini*, little nephews (as we call them in Italy, half affectionately, half disparagingly), and some quarters Calvino, the only Italian novelist who could have been a suitable candidate for the Nobel prize, died at a relatively early age and in the full enjoyment of his powers: "He became his admirer," as W.H. Auden sang of W.B. Yeats in his elegy, he survived in his books, but not as a source of literary inspiration.



The sheer variety of his forms and interests — narrative, ideological and otherwise, ranging from poetic to social realism, from allegorical fables to science fiction, from the "sea of objectivity" he celebrated in an essay to self-reflective, artificially constructed fiction, from political engagement to bierrature as a puzzle or a game of chess — prevented it, and caused uneasiness and embarrassment, even resentment.

Two well-publicized conferences mounted to solemnize his demise, as seems to be customary in Italy in such cases, ended in very significant partial failures. Critics of different schools, on learning of each other's presence, failed to appear; others, in sympathy

or in protest, withdrew. The assessment of Calvino's varied claims to literary achievement and fame was even more checkered than expected, and gave many young writers the longed-for occasion or pretext to proclaim themselves, with the usual Italian pomposity whenever literature is concerned, the only true heirs of Calvino. Self-aggrandizement followed self-promotion. Even worse — or indeed, more revealing of contemporary trends and strains — was the outcome of the Calvino Prize immediately established to honor the master and to be awarded to an unpublished work of fiction. The judges were flooded with entries. With a show of courage rather unusual in such cases, they refused to award the prize. All entries were judged to be below acceptable standards.

Does this imply that the level of current fiction writing in Italy is below the level of minimal dignity? Or is it simply that, to put it mildly, prizes now seem to outnumber the appearance of new works? According to an article by Valerio Riva in *Corriere della Sera*, estimates are that 1,438 literary prizes are given out every year.

Besides the established prizes — Bagutta, Strega, Viareggio, Campiello, etc. — every city, summer resort, mountain place, watering spa, every upcoming business concern or prestigious firm, wants its own literary prize. Awards are as a rule fairly rich. Which local administration or board of directors would grudge a few million lire for such worthy purposes, to get what in television jargon is known as *ritorno d'immagine*, a positive feedback?

Except that no TV and no serious newspaper can cover such a gigantic display of sponsorship. Moreover, even if some 12,000 titles are published each year in Italy, these include only between 100 and 200 new literary works by Italian writers. Each one, therefore, seems entitled to some 10 prizes. As a result, literary juries are indeed short of candidates, fight for them and must beat the competition by awarding their prizes before the others do.

Sometimes they choose to give them to books not yet published, hoping that they will be eventually delivered. While the same (few) critics in the same (many) juries receive the same (few) books deserving attention, authors are coaxed into participating — competing is obviously no longer the right word — here rather than there; they are drawn by persuasion, lures, threats, extra bonuses, to this rather than to that place or prize.

In turn they, the writers, write books with this or that specific literary prize in mind: One type of novel is more suited for the Strega (a rather mundane prize, devoted to stylish writing and recherché forms of fiction), another for the Viareggio (a more austere prize, more inclined to political engagement and socially conscious literature). Publication is timed to meet the deadlines for the more prestigious prizes, so as to avoid conflict or overlapping, and to please the juries.

Books then are more and more written for prizes rather than for readers. By now dust jackets of novels cannot accommodate and advertise all the prizes and blessings bestowed on them. So many literary (and financial) recognitions cancel each other out. The number of buyers — let alone readers — does not increase as a result, while local or managerial hopes for promotion and advertisement are basically defeated.

Why then are so many books of fiction and similar kinds still being written by industrious and uniring writers? One reason is obviously that the publishing trade needs constant refueling. Another, subtler reason may be found in what has been termed *l'effetto Eco* — the "echo effect" of Umberto Eco's huge international success, "Il Nome Della Rosa." One best seller of such magnitude has not only made Italian fiction more saleable abroad; it has awakened undreamed-of hopes of big financial returns for writers, not to mention cultural recognition.

A third reason is that even a poor novel has the chance of being made into a successful movie or TV serial. The poorer the novel, the better the chance, and this seems exactly what is happening.

The Italian fiction writer, therefore, seems to try for these three nonexclusive, perhaps mutually supporting aims: one or more literary prizes, a movie remake, above all the chances of following in the wake of the *effetto Eco*. This may be true elsewhere as well; but in Italy it seems more obvious and more blatant, owing to the crowded nature of the establishment.

There is no doubt that the "Eco effect" has had very beneficial results abroad: a wider audience for Italian writers, more translations, a greater presence of Italian culture and Italian literature in the universities and the press. At home, however, it has stirred more hopes than it can fulfill, awakened more dreams than can be realized, urged more attempts at literary fame than are compatible with existing talents.

Continued on page 9

WEEKEND

A New Age for American Conductors

by Michael Kimmelman

COLLECTIVELY, they may not possess the skills and experience of their European colleagues...

has long been described as an exception proving the rule about opera conductors from the United States...

can symphony orchestras, a few of which have not strayed far from the stages of U.S. opera companies.

50 operas and is used to doing four or five performances a week.



Michael Tilson Thomas



James Conlon, principal conductor in Cologne.

James Conlon, principal conductor in Cologne. The classic progression from coach to assistant conductor to first conductor to general music director has produced virtually all the great maestros of Europe.

France was invited to become that company's music director for its short, summer season. By this point in his career, said the musician, he has conducted 25 operas.

foreign country made me an exotic bird and that helped. He added that the presence of Janos Kulka in Stuttgart as his principal conductor proved enormously helpful during the early years...

France was invited to become that company's music director for its short, summer season. By this point in his career, said the musician, he has conducted 25 operas.

ENGLAND

LONDON: British Museum (tel: 636.1555) - To Aug. 31: Drawing in England from the 16th to 18th centuries...

Hayward Gallery (tel: 928.57.08) - To Sept. 27: 140 drawings by French Surrealist artist André Masson...

Renaissance to the Impressionists. - To Aug. 23: The Academy's 219th Summer Exhibition of contemporary art.

of the work of American-born sculptor Sir Jacob Epstein (1880-1959).

work from the Viennese Secession, Catalan and American works.

HILDESHHEIM: Roemer- und Pelizaeus-Museum (tel: 1.59.79) - To Nov. 29: Egypt's Rise to World Power...

Drawings from Stockholm: 125 works from the Swedish National Museum's collection of 18th century French art.

UNITED STATES NEW YORK: Cooper-Hewitt Museum (tel: 860-6868) - To Oct. 11: Art Nouveau Bing: The influence of Siegfried Bing (1838-1905) on Art Nouveau...

INTERNATIONAL ARTS GUIDE

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PARIS: Grand Palais (tel: 42.61.54.10) - To Jan 3: Le troisième oeil de Jacques-Henri Lartigue: photographs, 1902-1928.

KASSEL: Museum Fridericianum. - To Sept. 20: Documenta 8: the 8th edition of the celebrated contemporary art's fair includes works by 200 artists...

SPAIN MADRID: Centro de Arte Reina Sofia (tel: 467.5062) - To Sept. 15: Art from the Spanish Pavilion at the 1937 Paris International Exhibition...

LA CHAUX-DE-FONDS: Musée International d'Horlogerie (tel: 23.62.63) - To Sept. 27: The Hand and the Tool: over 200 tools and instruments illustrate the evolution of watchmaking from 1750-1920.

FRANCE PARIS: Grand Palais (tel: 42.61.54.10) - To Jan 3: Le troisième oeil de Jacques-Henri Lartigue: photographs, 1902-1928.

FLORENCE: Palazzo Medici-Riccardi (tel: 52.27.60) - To Sept. 27: Gold from Kiev: loan exhibition of 119 objects and artifacts from the Ukraine, 8th c. B.C. to 8th c. A.D.

LA CHAUX-DE-FONDS: Musée International d'Horlogerie (tel: 23.62.63) - To Sept. 27: The Hand and the Tool: over 200 tools and instruments illustrate the evolution of watchmaking from 1750-1920.

DOONSBURY BOY, DO I FEEL LIKE CRAMMING INTO A HOLE. I CAN'T BELIEVE I'VE FELL FOR THAT CONVERGENCE STUFF...

MILAN: Galleria d'Arte Moderna (tel: 70.28.19) - To Sept. 6: Carlo Carrà (1881-1966): includes works of the artist's futurist and between the wars periods.

ROMA: Palazzo Braschi (tel: 687.58.80) - To Sept. 16: Carlo Carrà: about 200 paintings by the Italian artist.

LAUSANNE: Fondation de l'Hermitage (tel: 021.20.50.01) - To Oct. 18: René Magritte: a retrospective of over 200 paintings, half of which never before shown in public.

YOU PROBABLY THINK THAT'S A TOTAL KNOCK-OUT! HEY CHON, BIEBIEBIEBIE FLAKES CUT IN ONCE IN A WHILE.

MARSEILLE: Centre de la Vieille Charité (tel: 91.31.66.22) - Le Corbusier and the Mediterranean: drawings, photographs and notes documenting Le Corbusier's Mediterranean travels.

AMSTERDAM: Rijksmuseum (tel: 63.21.21) - To Sept. 27: James Ensor (1860-1949): 140 drawings and prints and six large-scale paintings by the Belgian artist.

LAUSANNE: Fondation de l'Hermitage (tel: 021.20.50.01) - To Oct. 18: René Magritte: a retrospective of over 200 paintings, half of which never before shown in public.

I THINK YOU'RE ASES, KID. ALWAYS HAVE, ALWAYS WILL! OH, B.D.

GERMANY BERLIN: Martin Gropius-Bau (tel: 21.22.21.23) - To Nov. 22: Berlin-Berlin: The central exhibition of the city's 750th anniversary celebrations: 4000 books, art works, documents and artifacts relating to Berlin's history.

ROTTERDAM: Museum voor Volkenkunde (tel: 010.411.0555) - To Sept. 27: A selection of the recently renovated museum's most prized holdings of folk and tribal art objects from around the world.

LAUSANNE: Fondation de l'Hermitage (tel: 021.20.50.01) - To Oct. 18: René Magritte: a retrospective of over 200 paintings, half of which never before shown in public.

YOU TOO, HUNK. SNARF!

SCOTLAND EDINBURGH: National Gallery (tel: 556.89.21) - To Oct. 11: French Master

AMSTERDAM: Rijksmuseum (tel: 63.21.21) - To Sept. 27: James Ensor (1860-1949): 140 drawings and prints and six large-scale paintings by the Belgian artist.

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YOU TOO, HUNK. SNARF!

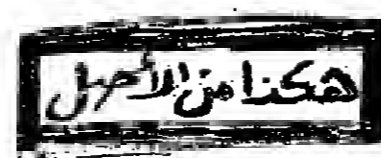
PARIS 8th ELYSEES SHOPPING 50m off the Ch. des Elysees. Maximum discount. Gifts, perfumes, cosmetics, etc. 12, Rue des Saussaies - Tel.: 45.62.62.48.

PARIS 9th ARIJE Leather goods, jewelry, perfumes, cosmetics 53, rue Pierre Charron. Tel.: 47.50.73.60.

PARIS 9th SWAN 1, Rue Serbelloni - Tel.: 42.66.87.70. Perfumes, bags, jewelry, women's sunglasses.

PARIS 16th LIZA Cosmetics, perfumes, leather goods, jewelry, sunglasses, etc. - Tel.: 42.66.87.70. 42 Ave. Victor - Tel.: 47.04.78.78.

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WEEKEND

Recent Teen Movies: So Real, So Untrue

by Alice McDermott

BEFORE I became a teenager in the mid-'60s, my clearest vision of what it would be like to be one was taken from the movies...



Frankie and Annette: Another time and place.

And it was not Tony's last breath on the hard asphalt alone that fostered this image. For those of us of that pre-video cassette generation...

Yet for all their accurate reproduction of the way teen-agers look and talk, for all their awareness of the quality of certain teen-age daydreams...

And it is this distinction and so many current filmmakers' failure to see it that plagues this decade's movies about teen-agers...

And it is this distinction and so many current filmmakers' failure to see it that plagues this decade's movies about teen-agers...

And it is this distinction and so many current filmmakers' failure to see it that plagues this decade's movies about teen-agers...

A Model for Museums

Continued from page 7

divagation. It could be an anticlimax — a struggle of odds and ends, after a high-level survey of one of the great moments in art history — but it turns out to be a picturesque adventure that keeps us continually on the alert.

A nonlinear approach is often adopted...



David's "Portrait of Jeanbon Saint-André."

and pays off on every occasion. When a visionary image of a monk in a ruined monastery by the German romantic master Caspar David Friedrich is hung between a straightforward title watercolor by Peter de Wint and a careful, neatly drawing by Domenico Quaglio...

Nor has the traditional segregation of national schools been followed. In many an American museum a little corner is set aside for the "English School," and very dreary it often is, too...

Much more could be said, for this is a nonpareil among installations, and one that solves a problem that elsewhere is often regarded as insoluble — what to do about the permanent collection.

© 1987 The New York Times

The Web of Intrigue Around Guttuso

by Mary Davis Suro

ROME — When the Italian painter Renato Guttuso died of cancer in the early morning hours of Jan. 18, 1987, Italians mourned his passing with all the honor and stateliness befitting a national hero.

Guttuso, a prolific realist painter, whose works are in the collections of many major museums, including the Museum of Modern Art in New York...

In the case of the Guttuso estate, it became the center of a struggle involving the painter's longtime lover, a man claiming to be his son and the artist's secretary...

Following the sudden death of Signora Dotti, the contessa said, she was entirely cut off from the painter. (Until then the affair had been a social fact, accepted by everyone, including the respective spouses.)



Renato Guttuso in 1984, in front of "Eulogy to Sport," painted for the Italian Olympic Committee.

Milan's Corriere della Sera, her telephone calls were not put through and she was barred from entering Guttuso's home in Rome.

There followed a series of revelations that shocked the painter's friends, family and fellow-Communists. Guttuso, it was claimed, had converted to Catholicism shortly before his death.

conversion had been sincere. Far more serious, however, was the disclosure that, on his deathbed, Guttuso had legally adopted Carapezza.

The painter and his wife had no children of their own, so this dying act made the secretary the sole inheritor of the painter's estate. Estimates of its worth vary, but all agree that it is measured in millions of dollars.

The inquiry, which lasted throughout the spring and included testimony from all the major players in this story, was to decide the validity of the adoption and to determine whether Guttuso's mental health was seriously impaired during his final months.

If all this drama was not enough, a surprise witness turned up during the investigation. As a result of a newspaper story, a Roman bookseller named Antonello Cuzzani discovered that he could claim to be Guttuso's illegitimate son and came forward to demand his share of the painter's fortune.

Reports in the Italian press now indicate that Carapezza will soon begin legal proceedings against the Dotti family and the contessa, charging them with defamation of character.

Mary Davis Suro wrote this article for The New York Times.

Calvino Legacy

Continued from page 7

The picture, however, is not all so dismal or so threatening. Some interesting trends and new voices can be detected.

One trend is that members of collateral trades turn to fiction. In particular, one journalist after another, Italo Calvino does have one or two genuine followers...

While Romano's novel seems a direct outcome of Calvino's puzzling late book, "If on a Winter's Night a Traveler," Daniele del Giudice appears instead as Calvino's possible heir.

Del Giudice's balanced and virtuosic performance seems to be on a level with Calvino's best work and a tribute to him — not an imitation, but the re-creation of a vision of things that does away with the dichotomy between the "two cultures."

In the meantime, the very young are active and rampant, even if in a subdued, "minimalist" tone. One of these so-called Italian minimalists, Cinzia Tani, looks at the lure and the fascination with the United States, no longer as a cultural model or dreamland...

I have always thought that, just as after World War I we had quite a few brilliant examples of novels of American expatriates set in Europe, so now, as we approach the end of the century, European writers ought to exploit the possibilities of their discovery of, or expatriation in, America.

Sergio Perosa, the author of "Henry James and the Experimental Novel," wrote this for The New York Times Book Review.

Advertisement for 'IHT Asia Guide to Business Travel' by Robert K. McCabe. The ad features a large image of the book cover and text describing its unique and invaluable information for business travelers in Asia. It lists various cities covered and offers a special discount for IHT subscribers.

NYSE Most Actives table with columns for stock symbol, volume, high, low, last, and change.

Market Sales table with columns for NYSE 4 a.m. volume, NYSE prev. close, and various volume metrics.

NYSE Index table with columns for high, low, close, and change for various market indices.

Thursday's NYSE Closing logo with 'Via The Associated Press' text.

AMEX Diary table with columns for stock symbol, price, and change.

NASDAQ Index table with columns for index name, value, and change.

AMEX Most Actives table with columns for stock symbol, volume, high, low, last, and change.

Dow Jones Bond Averages table with columns for bond category, price, and change.

NYSE Diary table with columns for stock symbol, price, and change.

Odd-Lot Trading in N.Y. table with columns for stock symbol, price, and change.

Dow Jones Averages table with columns for index name, value, and change.

Standard & Poor's Index table with columns for index name, value, and change.

NASDAQ Diary table with columns for stock symbol, price, and change.

AMEX Stock Index table with columns for index name, value, and change.

Dow at Record as Dollar Firms

NEW YORK — Prices on the New York Stock Exchange soared Thursday as a rise in the dollar spurred buying that sent the Dow Jones industrial average and other closely-watched market indexes to record highs.

The stock market got an early boost from a steady dollar and firm bond prices and held those gains as investors tried to decide whether to buy more stocks or wait for cheaper prices.

The finish marked the Dow's second close above 2,700, and many analysts said that the new record would be viewed as confirmation that the market would move higher.

The American Stock Exchange market value index rose 2.82 to 360.89. The price of the average Amex share rose 13 cents, Advances outpaced declines by a 41:23 ratio.

Table A: List of stock symbols and prices for various companies.

Table B: List of stock symbols and prices for various companies.

Table C: List of stock symbols and prices for various companies.

Table D: List of stock symbols and prices for various companies.

Table E: List of stock symbols and prices for various companies.

Table F: List of stock symbols and prices for various companies.

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Table J: List of stock symbols and prices for various companies.

Table K: List of stock symbols and prices for various companies.

Table L: List of stock symbols and prices for various companies.

Table M: List of stock symbols and prices for various companies.

Table N: List of stock symbols and prices for various companies.

Table O: List of stock symbols and prices for various companies.

Table P: List of stock symbols and prices for various companies.

Why do we need to fly to 43 destinations across 5 continents?



Why do most of our hostesses have a university degree?



BUSINESS/FINANCE

FRIDAY, AUGUST 21, 1987

WALL STREET WATCH

Smaller Fast-Food Chains Whet Analysts' Appetites

By PHILIP H. WIGGINS

NEW YORK — Some of the smaller fast-food companies are beginning to attract the attention of analysts...

There is a glut of hamburgers and chicken, one analyst said.

Berton Seltzberg, an analyst at the Advest Group in Hartford, Connecticut, cautioned, however, that the fast-food industry "continues to be beset by over-saturation of certain food segments, such as chicken or hamburgers."

Mr. Johnson's current favorite is Buffets Inc., a small, fast-growing chain based in Wayzata, Minnesota, that specializes in buffet-style dining.

Bombay Palace is a chain of Indian ethnic dinner houses, including Iodan, Mexican and Caribbean cuisines.

John Hunt, an analyst at Smith Barney, Harris Upham & Co., is particularly bullish on Shoney's Inc., a Nashville-based operator and franchisor of restaurants, primarily in the eastern United States.

"We expect earnings per share to increase 17 percent, to \$1.35, in fiscal 1987 and 26 percent, to \$1.70, in fiscal 1988," Mr. Hunt said.

U.K. Sets October BP Sale

Seen Raising £7.5 Billion

Reuters

LONDON — Britain's sale of shares in British Petroleum Co., which at £7.5 billion (\$12.12 billion) would be the government's biggest asset sale yet, will be launched in late October, the government's financial advisers said Thursday.

N.M. Rothschild & Sons Ltd., the merchant bank advisers, said it believed the offer would be the biggest sale of government assets in any country.

The sale will comprise the government's remaining 31.5 percent stake in BP, amounting to about 1.74 billion common shares, plus about £1.5 billion of new shares issued by the company.

Mr. Alt said the offering would be aimed at three broad categories — British private investors, British financial institutions and overseas investors in North America, continental Europe and Japan.

However, he noted that the number of shares available to overseas investors would be reduced if warranted by British demand.

BP shares closed on the London Stock Exchange at 352.50 pence, up from Wednesday's close at 347 pence.

Even without the company's share issue, the government's sale of its BP shares would surpass earlier privatizations of government holdings, including the £5.6 billion sale of British Gas PLC and £4 billion offer of British Telecommunications PLC.

Windsurfing Sales Slackening

Europeans Point at U.S. Market



Windsurfing may be a thrilling sport, but the industry faces rough waters.

By Steven Greenhouse

PARIS — A surfboard in full sail is a thrilling sight, slicing through waves that could topple it instantly, steered by a half-acrobat, half-machiner clinging and clung to multi-colored silhouette.

Little of the thrill and glamour remains, however, for the manufacturers of windsurfing boards.

Sailboard companies, many less than 10 years old, are faced with slackening sales. In the resulting shakeout, some are trying a different, highly-competitive tack.

At first, windsurfing looked as if it had limitless growth potential. But now the \$250 million industry finds the sport has grown far less than many manufacturers expected.

BP shares closed on the London Stock Exchange at 352.50 pence, up from Wednesday's close at 347 pence.

petitors were more aggressive in developing new designs and technologies.

"It's not atypical in industries where there is a lot of glamour that you have more people entering than would be the case if it were solely a hard dollars-and-cents decision," said Hoyle Schweitzer, who invented windsurfing in 1968 and owns Windsurfing International, a Los Angeles-based sailboard manufacturer.

"When you have a glamorous industry and then things get rocky for a year or two, you end up with a lot of red ink flowing."

With fewer manufacturers, supply is beginning to match slower demand, so board makers hope this year will finally be a profitable one.

"The markets are somewhat leveling off, but the United States has the biggest potential for growth," said Robert C. Grant, United States marketing manager for Bic Sport, the Paris-based manufacturer that is considered the worldwide leader in suit sales.

Because of the growing importance of the United States market, Bic is locked in a battle with the

See WINDSURFING, Page 15

U.K. Markets Hit By Money Data, Inflation Fears

By Warren Geller

LONDON — Statistics released Thursday showing a sharp acceleration in the growth of Britain's money supply and bank lending jolted shares and government bonds in a day of hectic trading marked by fears over inflation and higher interest rates.

Of most concern among figures released Thursday by the Bank of England, dealers said, was the volume of bank lending in July, which stood at £4.9 billion, well above market expectations of some £3 billion.

Also triggering market concerns was last month's money supply growth that jumped well above expectations. Money supply M3, the main index of money growth that comprises bank notes, cash and retail and wholesale bank deposits, grew a seasonally-adjusted 2.3 percent.

This compared with market expectations of a 1 percent increase and a 1 percent rise in June.

The government has downplayed the importance of M3, but on an annualized basis, it expanded at a 2.1 percent rate.

"The big fall in the bond and stock markets today reflects continuing concern about the inflationary consequences of monetary expansion here," said Brendan Brown, an economist with NatWest Investment Bank in London.

The lending figure, which includes total credit extended to individuals, companies and other institutions, was up 26 percent from June's total of £3.9 billion.

Inflation in July stood at 4.1 percent on an annual basis, up from 4.2 percent in June. Economists predicted that the Bank of England would respond to concerns about rising inflation by forcing commercial banks to raise the lending rates an additional 1 percentage point to 11 percent within two months.

Within 90 minutes of the release

of the figures, the Financial Times Stock Exchange index of 100 leading stocks had plummeted 74.2 points from the day's peak of 2,160.6, before recovering to close at 2,185.3, down 12.3 points on the day. The drop added to a steady decline of over 100 points this week.

The index started the week at 2,280.8, but fears about an overheating economy and concern over an imminent wave of new equity issues have erased more than £18 billion from share values.

In the government bond market, where prices fell on fears of higher interest rates, 10-year government bonds slipped 2 points at Thursday's close to yield 10.5 percent, having been down as much as 2 points from Wednesday's finish.

Meanwhile, the pound fell to 72.4 pence of its 1975 value against a basket of 18 major currencies, down from a closing of 72.0 pence Wednesday on a trade-weighted index.

Viewed as another money supply measure, M0, the inflationary impact of an expanding money supply appeared less severe. This is a narrower measure, comprising cash in circulation plus commercial banks' balances in their tills and at the central bank. This year's growth, for an annualized rate of 3.3 percent in July, near the top end of the government's 2 to 6 percent target range. In June, M0 grew at a 0.2 percent rate.

"I think there will be another 1 point rise in base rates within a month or so, probably coinciding with some downward pressure on sterling relative to the Deutsche mark," Mr. Brown said.

Against the West German currency, which provides a key measure of British trade competitiveness, the pound closed at 2.9632 DM, down from 2.9752.

The chancellor of the Exchequer, Nigel Lawson, had said the inflationary signals in the economy had prompted him to approve the earlier 1 percentage point rise in base rates. Higher rates support pound, whose decline otherwise would push up prices of imports.

Manila Debt Pact's Foes Link the Issue to Marcos

Arguing Some Loans Involved Fraud, Lawmakers Consider Repayment Limit

By Patrick L. Smith

MANILA — A debt rescheduling agreement signed last month by President Corason C. Aquino's government has triggered a debate here over whether the country should unilaterally limit payments on its \$28.3 billion foreign debt or repudiate portions of it.

If carried to an extreme, according to senior government sources, opposition to the debt accord could jeopardize Manila's long-term relationships with international lenders and undermine an economic recovery program that is central to the country's political stability.

Members of the recently elected Congress have accused Finance Secretary Jaime Ongpin and Jose Fernandez, governor of the central bank, of betraying national interests in concluding a \$13.2 billion rescheduling package with the nation's 483 creditors banks.

Opponents of the July 17 accord, who include members of Mrs. Aquino's cabinet, assert that Mr. Ongpin and Mr. Fernandez accepted repayment terms that are too burdensome for the country's farmers and wage earners to shoulder.

Apart from this, many legislators appear increasingly determined to link the accord with broader efforts to recover funds misappropriated by former President Ferdinand E. Marcos. Since the Congress convened for the first time July 27, the debt pact has become a central national issue.

Among the proposals advanced in the legislature is a ceiling on debt repayments equivalent to 10 percent of yearly export revenue. Based on current forecasts of economic performance, this would reduce by two-thirds the \$2.9 billion in payments scheduled this year.

Other measures being debated include the repudiation of selected debts incurred by Mr. Marcos and a moratorium on the repayment of both principal and interest.

In congressional testimony this week, former Prime Minister Cesar E.A. Virata identified 10 local corporations that obtained questionable loans guaranteed by the Marcos government. Mr. Virata, who served concurrently as finance minister under Mr. Marcos, warned legislators to exercise "extreme care" in repudiating foreign credits.

Political analysts continue to assume that the more sweeping of these proposals will not gain final approval. But it is becoming more certain, these sources say, that the Congress will require the administration to reopen negotiations on individual borrowings in which fraud or negligence on the part of foreign creditors can be proven.

"We don't have any real control

Massachusetts Says Hutton Made Fraudulent Sales Pitch

United Press International

BOSTON — The state of Massachusetts has charged E.F. Hutton & Co. with fraudulently soliciting sales of an unregistered silver mining stock and has threatened to close all Hutton offices in Massachusetts unless customers are refunded, officials said.

Secretary of State Michael Connolly issued a show-cause order Wednesday, alleging E.F. Hutton and 11 of its agents in Massachusetts fraudulently sold \$433,000 in Cadillac Explorations Ltd. stock to 84 customers from 1982 to 1984, even though the stock was unregistered for sale in the state.

Hutton officials said they had just received the show-cause order and were confident a resolution could be reached with the state.

In 1985, federal authorities uncovered a \$10 billion check-kiting scheme, in which Hutton admitted to cheating banks by writing checks for money not covered in its accounts. The firm was fined \$2 million. Also that year, Hutton was cited for selling a limited partnership called Silver Screen II without obtaining Massachusetts state approval. The state ordered Hutton to return \$4.8 million to residents who had invested in the partnership.

The show-cause order alleges that Hutton agents committed a fraud by giving prospective buyers of Cadillac Explorations stock information that was two years old. The information involved predictions made in 1981 and when the stock purchases were made, the predictions had already proven false. Cadillac was declared bankrupt in September 1984.

Advertisement for American Express Bank. Features the text 'BUILDING YOUR ASSETS, SWISS-STYLE' and 'Growth opportunities worldwide'. Includes an image of a man in a suit. Contact information for American Express Bank Ltd. is provided.

Currency Rates

Table of currency rates for various countries including Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, etc.

Clasings in London, Tokyo and Zurich, livings in other centers. New York rates of 4 P.M. a: Commercial frame b: To buy one pound: c: To buy one dollar: -: Units of 100; M.G.: not quoted; N.A.: not available.

Other Dollar Values

Table of other dollar values for various countries including Australia, Canada, Hong Kong, Singapore, etc.

New York rates unless marked as local rate.

Forward Rates

Table of forward rates for various currencies including Pound sterling, Japanese yen, Deutsche mark, etc.

Sources: Deutsche Bank (Frankfurt), Banca Commerciale Italiana (Milan), Banque Paribas de Paris (Paris), Bank of Tokyo (Tokyo), NIP (SDR); BAH (London, Hong Kong, Tokyo); Other data from Reuters and AP.

Interest Rates

Table of interest rates for Eurocurrency deposits, key money rates, and Japan.

Source: Morgan Guaranty, Dallas, SF, Phoen. FF; Lloyd's Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of \$1 million minimum (or equivalent).

Asian Dollar Deposits

Table of Asian dollar deposits for 1, 3, 6, and 12 months.

Source: Reuters.

U.S. Money Market Funds

Table of U.S. money market funds including Merrill Lynch Ready Assets, T. Rowe Price, etc.

Source: Merrill Lynch, Telestar.

Gold

Table of gold prices for various locations including Hong Kong, London, etc.

Source: Reuters.

Handwritten Arabic text at the bottom of the page.

Thursdays NYSE Closing

Totals include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Div. Yld. P/E Ratio

(Continued)

Table of stock prices for various companies, including columns for High, Low, and Close.

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Table of stock prices for various companies, including columns for High, Low, and Close.

U.S. Futures

Via The Associated Press

Aug. 20

Season High Season Low Open High Low Close Chg.

Grains

Table of grain futures prices including Wheat, Corn, and Soybeans.

Metals

Table of metal futures prices including Copper, Aluminum, and Silver.

Livestock

Table of livestock futures prices including Cattle and Hogs.

Currency Options

Table of currency option prices for various currencies.

NYSE Highs-Lows

Table of NYSE high and low prices for various stocks.

AMEX Highs-Lows

Table of AMEX high and low prices for various stocks.

Food

Aug. 20

Season High Season Low Open High Low Close Chg.

Food

Table of food futures prices including Coffee, Cocoa, and Orange Juice.

Metals

Table of metal futures prices including Copper, Aluminum, and Silver.

Livestock

Table of livestock futures prices including Cattle and Hogs.

Currency Options

Table of currency option prices for various currencies.

NYSE Highs-Lows

Table of NYSE high and low prices for various stocks.

AMEX Highs-Lows

Table of AMEX high and low prices for various stocks.

EURODOLLARS (1987)

Aug. 20

Season High Season Low Open High Low Close Chg.

EURODOLLARS (1987)

Table of Eurodollar futures prices for various maturities.

EUROPEAN CURRENCY (1987)

Table of European currency futures prices including British Pound and German Mark.

EUROPEAN CURRENCY (1987)

Table of European currency futures prices including Japanese Yen and Swiss Franc.

EUROPEAN CURRENCY (1987)

Table of European currency futures prices including Canadian Dollar and Australian Dollar.

EUROPEAN CURRENCY (1987)

Table of European currency futures prices including New Zealand Dollar and Hong Kong Dollar.

EUROPEAN CURRENCY (1987)

Table of European currency futures prices including Singapore Dollar and Thai Baht.

EUROPEAN CURRENCY (1987)

Table of European currency futures prices including South African Rand and Indian Rupee.

EUROPEAN CURRENCY (1987)

Table of European currency futures prices including Indonesian Rupiah and Malaysian Ringgit.

EUROPEAN CURRENCY (1987)

Table of European currency futures prices including Philippine Peso and Vietnamese Dong.

EUROPEAN CURRENCY (1987)

Table of European currency futures prices including South Korean Won and Taiwan Dollar.

EUROPEAN CURRENCY (1987)

Table of European currency futures prices including Hong Kong Dollar and Singapore Dollar.

EUROPEAN CURRENCY (1987)

Table of European currency futures prices including Thai Baht and Indonesian Rupiah.

Imports of Iranian Textile Anger Producers in U.S.

WASHINGTON — A surge of low-priced textiles imports from Iran has prompted an outcry from officials in South Carolina, a major textile state. The Reagan administration has promised to study the possibility of imposing import controls.

Paris Commodities

SUGAR High Low Bid Ask Chgs. Aug. 20. French francs per metric ton. Oct. 1987 1,245 1,245 1,245 1,245 -.

London Commodities

SUGAR High Low Bid Ask Chgs. Aug. 20. U.S. dollars per metric ton. Oct. 1987 12.00 12.00 12.00 12.00 -.

Dividends

Company Per Annu. Div. Yield. Aug. 20. Alcoa Corp. 0.10 1.20 9.1.

Spot Commodities

Commodity Today Prev. Aug. 20. Coffee, lb. 1.44 1.40 9.7.

U.S. Treasuries

Discount Yield. Aug. 20. 3-month bill 6.11 6.08 4.7.

DM Futures

W. German Mark (12.50) marks cents per mark. Aug. 20. Price 50 50 0.0.

Advertisement for 'Khan Al-Jamil' featuring a stylized logo and text.

BUSINESS ROUNDUP

GM and Egypt Cancel Auto Venture

By Olfat Tohamy
Special to the Herald Tribune
CAIRO — A \$700 million project to build General Motors Corp. cars here has been canceled, forcing the Egyptian auto industry to postpone plans for wide-scale modernization.

The partners have concluded that the project is not viable," Industry Minister Mohamed Abdel Wahhab said, referring to GM and state-owned El Nasr Automotive Manufacturing Co.

Egyptian officials said this week that the cost of assembling kits exported by GM to West German subsidiary, Adam Opel AG, had doubled since the project was approved a year ago. Large-scale depreciation of the Egyptian pound's depreciation against the Deutsche Mark.

The project was aimed at integrating Egypt's sluggish economy and signaling the country's commitment to technical development. Production of 30,000 small and medium-size vehicles was scheduled to start in July, but the project was delayed pending a reassessment.

Bae Cancels Contract With Own Unit

Reverser
LONDON — British Aerospace PLC said Thursday that it has canceled a £200 million (\$323 million) order with its recently acquired subsidiary, Royal Ordnance PLC, awarded in 1983.

A Bae spokesman confirmed reports in the Financial Times newspaper that Royal Ordnance was having problems manufacturing the engines for the anti-radar Alarm missile and failed to meet a deadline at the end of July to rectify them.

The contract for the missile engine, intended to supply the Royal Air Force and the British Air Force, is now to be placed with Bayern-Chemie GmbH of West Germany, a subsidiary of Messer-

schmitt-Bölkow-Blohm GmbH, the spokesman said. Messerschmitt also makes the Alarm warhead for Bae.

After the news, Bae shares were steady at Wednesday's 472 pence closing price on the London Stock Exchange, and later finished at 461 pence.

The air-launched missile is designed to destroy radar by detecting and homing onto transmissions. Bae had won the order in 1983 over competition from Texas Instruments Inc.

Earlier this year, Bae beat GKN PLC, a British engineering group, in a bid to supply Royal Ordnance, paying \$190 million for the state-owned armaments manufacturer.

The Bae spokesman said the

close relationship with Royal Ordnance will remain unaffected by the cancellation of the Alarm contract. He pointed out that with the exception of Bae's Sea Eagle missile, Royal Ordnance provides the engines for all of the company's missiles and will continue to do so.

Bae is also seeking to renegotiate its original 1983 contract with the British Ministry of Defense to supply the RAF with some 750 Alarm missiles.

Bae said any renegotiation of the Alarm contract is covered by the agreement reached on its takeover of Royal Ordnance. This stipulated that neither the Ministry of Defense nor the company would claim damages against each other over the production of the missile.

Shafiq Gabr, vice president of the American Chamber of Commerce in Egypt, said that approval of the GM project last year had nonetheless spurred other U.S. investors to enter the Egyptian market. "The United States is an image-oriented nation," he said. "GM's raising its profile here, regardless of economic circumstances, has attracted others."

Direct American investment in Egypt, estimated at \$1.5 billion at the end of 1986, has picked up lately after a two-year lull, with the emphasis shifting from oil exploration and banking to industry.

The number of U.S.-Egyptian joint ventures, especially in consumer industries, has been growing lately, while existing projects involving companies such as Gillette Co. and Union Carbide Corp. are expanding.

General Motors Egypt, one of the largest U.S. joint manufacturing ventures in Egypt, is increasing its output of trucks and diversifying into minibuses.

Jefferies Sales Team Stages Comeback

By Douglas Frantz
Los Angeles Times Service
LOS ANGELES — Immediately after Boyd L. Jefferies agreed to plead guilty to criminal charges and leave Jefferies & Co., the securities firm's remaining management numbered 20 leaders of its high-powered national sales force to Dallas. Another 40 of the firm's traders learned about the strategy session and flew in at their own expense.

As the management nucleus of the tarnished Los Angeles-based company met at an airport hotel that Saturday last March, one might have expected sullen faces, gloomy talk and more than a few whispers about job prospects elsewhere. But that was not the case.

"There was a 'let's do it!' kind of attitude, an electricity in the air, a sense that it was time to focus on business again," recalled Frank Baxter, who was the firm's chief operating officer until he assumed the post of chief executive vacated by Mr. Jefferies on March 19.

The Monday following the pep rally in Dallas, an equally important series of meetings began. Mr. Baxter and his national sales manager, Raymond L. Killian Jr., began visiting dozens of bread-and-butter institutional clients to reassure them that the company would survive.

Business did drop after Mr. Jefferies' resignation. He was accused of illegally "parking" stock for Ivan F. Boesky — holding it to allow Mr. Boesky to evade regulatory limits — and assisting an unidentified client in manipulating the price of a stock.

The company's second-quarter commissions declined by about 5 percent, compared with last year's, to \$23.2 million, at a time when trading volume on the New York Stock Exchange rose by 28

percent. Mr. Baxter acknowledged in a recent interview that some clients left temporarily.

Mr. Baxter said the drop in commissions actually reflected an overall decline in institutional activity in the quarter, and that Jefferies & Co. has not lost any major clients among its 1,600 institutional customers.

The company's total revenue for the quarter was off 14 percent from a year earlier, and net income dropped to \$1.6 million from \$3.7 million during the same three months in 1986. The company attributed the decline in net income to several one-time expenses.

Whether it was a "let's-do-it!" attitude or the extra pay, there was no mass defection.

Mr. Baxter estimated that the firm continues to handle 60 percent of the block trades in the so-called "Third Market," where exchange listed securities are traded off the exchange.

"All things considered, they are moving forward even though Boyd isn't there anymore," said Perrin Long, an analyst with Lipper Analytical Securities in New York.

The company's reputation for covering accounts and trading developed during 25 years in which Boyd Jefferies came to be widely regarded as Jefferies & Co. itself. He was the top producer, the legendary salesman with a maverick streak whose tenacity and creativity in executing com-



And that obviously had the potential for creating problems."

The potential was fulfilled in 1986 when a sensitive trade arranged by Jefferies backfired, resulting in a dispute with the parties involved that Jefferies paid \$5 million to settle. Boyd Jefferies paid \$3.5 million of the money out of his own pocket. At one point, the Securities and Exchange Commission objected to the way the firm had accounted for the money paid by Jefferies, but the dispute was resolved in favor of the company.

The incident led the board to approve new rules in October 1986, that required clearing any sensitive trade with another member of the management committee and either the in-house lawyer or outside counsel. It was a change clearly aimed at reining in the boss.

But it was a change that came too late.

The following month, the SEC announced that Mr. Boesky, a longtime customer of Jefferies & Co., had admitted involvement in the insider trading scandal sweeping Wall Street. Mr. Boesky paid a \$100 million in fines and returned profits.

Rumors soon surfaced in the press that Boyd Jefferies was among those implicated by Mr. Boesky. The firm's records were subpoenaed. A cloud fell over its operations, but no one knew where the probe was headed.

Everyone found out March 19, when Mr. Jefferies got on the internal communications system that connects the firm's offices — six in this country and one in London. He announced that he had agreed to plead guilty to two federal felony charges and accept a five-year bar from the securities industry, which included severing relations with his company.

Boyd Jefferies came to be widely regarded as Jefferies & Co. itself during the 25 years in which the company's reputation developed.

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Occidental Sees Big Return On Partial Sale of Meat Unit

Los Angeles Times Service
LOS ANGELES — Occidental Petroleum Corp. has told the government that it expects to realize up to \$940 million from a complex deal centered on the sale of 49 percent of its meat-packing subsidiary to the public.

In a registration statement with the Securities and Exchange Commission, confirming that it was proceeding with plans for a public offering, Occidental said Wednesday that it would offer up to 32.5 million shares in IBP Inc. at \$19 to \$22 a share.

While the sale itself would raise up to \$517 million for IBP, the sale also calls for the meat unit to pay Occidental a \$90 million "dividend" with borrowed funds. Once an existing internal debt is cleared up, Occidental said, it would realize \$870 million to \$940 million.

As set out in the SEC filing, IBP expects to borrow the money to pay Occidental the \$90 million before the public offering. The borrowings would include a \$40 million loan from a syndicate headed by Bank of America, with repayment guaranteed by Occidental. The syndicate would also provide \$100 million in revolving credit. The

proceeds of the public offering would then be used to reduce the debt IBP had taken on.

As Occidental had previously indicated, most of its proceeds would be used to pay off debt. The action, welcomed in the investment community, is seen by some analysts as a prelude to Occidental selling IBP altogether and concentrating on the energy business. For now, however, Occidental would retain 51 percent ownership of the company.

IBP, formerly Iowa Beef Processors, is now based in Dakota City, Nebraska, and is the biggest U.S. meat packer. Occidental, based in Los Angeles, bought IBP in 1981 for about \$800 million in stock. The unit accounted for nearly 45 percent of Occidental's revenues last year, far more than was contributed by Occidental's core oil and gas business.

However, IBP's importance to Occidental last year was inflated by the collapse in oil prices.

"IBP has had persistent labor problems, and last month was fined a record \$2.6 million by the Occupational Safety and Health Administration for alleged unsafe working conditions."

Viacom in Talks On Sale of Stake To Coca-Cola

Compiled by Our Staff From Dispatches
NEW YORK — Viacom International Inc. said Thursday it was pursuing discussions with several companies, including Coca-Cola Co., on the sale of a minority stake in one or more of Viacom's segments.

Coca-Cola said it would not comment on the entertainment company's statement. Viacom owns cable television systems serving hundreds of thousands of U.S. subscribers as well as pay and cable programs such as Showtime-The Movie Channel and MTV Networks.

Viacom said that a number of potential bidders, including companies involved in film and cable television systems, had voiced an interest in taking minority equity positions in Viacom operating segments. Coca-Cola already is involved in the film and television industry with its ownership of Columbia Pictures.

Analysts had anticipated that Viacom would sell stakes in its various businesses to raise money to reduce debt. (Reuters, AP)

Citibank Issue Expected to Spur Bank Offerings

By Eric N. Berg
New York Times Service
NEW YORK — Citibank's announcement that it would issue more than \$1 billion in new common stock this fall to rebuild capital has left investors braced for a possible avalanche of stock offerings by banks.

The consensus in the investment community is that other big banks, seeking to rebuild their capital as well, will soon follow Citibank's lead. That view pushed down banking share prices on Wednesday, and Citicorp's shares fell \$2.50, to \$63.125.

Investors have two worries — weak bank earnings, which have been hurt by the debt crisis, and the fact that the market for new bank stock is finite.

"A billion dollars of equity has to be absorbed into the marketplace," said George M. Salem, the senior bank researcher at Prudential-Bache Securities Inc. "It's an overhang that casts a cloud over Citicorp's stock and over the entire group. The 'who's next?' syndrome is clearly with us now."

In this sense, the analysts said, the move by Citicorp, the largest U.S. bank holding company, may have been part of a carefully constructed plan to establish itself as a well-capitalized bank and to leave its rivals short of capital.

"Clearly Citicorp wanted to be first," said Carole Berger, the bank stock analyst at C.J. Lawrence & Co. "The market will only absorb so many \$1 billion offerings. It was a pre-emptive move."

Once investors' appetites are sated, the analyst said, many banks may find themselves struggling to sell their shares, unable to sell them at all, or selling them at such low prices that earnings will be greatly diluted. The \$1 billion offering would be the biggest ever by a U.S. commercial bank.

If bank stock prices continue to fall, the amount of shares sold to achieve a desired level of equity might be so great as to make the process unattractive, analysts noted. Then, too, they said, if the banks' goal is to increase their equity-to-assets ratio, the banks could sell fixed assets, such as buildings, at a gain.

Not all banks are in need of capital. Bankers Trust Co. and J.P. Morgan & Co., for instance, are considered to be among the best capitalized of the big-city banks. By comparison, Manufacturers Hanover, BankAmerica and Mellon Bank Corp. are considered to have weak capital positions and are most in need of an infusion of equity.

Citicorp has often set industry standards. Its decision in May to set aside \$3 billion for loan losses forced other banks to follow suit. "We are considering all alternatives, including going to the equity markets," said Peter Tobin, chief financial officer at Manufacturers, a BankAmerica spokesman said. "There is nothing compelling us to act in haste."

Donald S. Howard, Citicorp's chief financial officer, said the bank decided to sell stock not because of competitive considerations, but because "the general tone of the market seemed to be pretty good." Indeed, Citicorp's stock has risen sharply since May 19, when the bank increased its loan-loss reserves.

"We are considering all alternatives, including going to the equity markets," said Peter Tobin, chief financial officer at Manufacturers, a BankAmerica spokesman said. "There is nothing compelling us to act in haste."

In Washington, the brokerage Bear Stearns & Co. said that it had acquired 818,000 shares of Manpower common stock, equal to about 5 percent of the company's common stock outstanding.

In a filing with the Securities and Exchange Commission, Bear Stearns said that it made net purchases of 294,998 Manpower common shares between June 19 and Aug. 12 at \$46.50 to \$79.25 a share. Bear Stearns said the shares were acquired in the ordinary course of its business.

Manpower said its board and

BUSINESS PEOPLE

2 Procter & Gamble Veterans Split Top Consumer Ad Job

Compiled by Our Staff From Dispatches
When Procter & Gamble Co. looked around to replace Robert V. Goldstein, who had been in charge of all of its consumer advertising, it decided to split those duties between two men who had been with the company all of their professional lives. Mr. Goldstein died in a rafting accident this month.

L. Ross Love, who was assigned the job of general advertising manager, previously held the position of associate manager for the general advertising department. Mr. Love, 41, joined the giant consumer products company in 1968 as a brand manager for the company's Cascade dishwashing detergent.

Robert L. Wehling, 48, formerly an associate manager in the company's general advertising department, was named manager of general marketing services. He previously was a division manager for a year, with responsibility over daytime television and cable operations. Mr. Wehling joined Procter & Gamble 27 years ago as a brand assistant for the company's Liquid Pail shampoo.

BankAmerica Corp. will not lose Ronald E. Rhody, who has resigned an earlier vice president and director of corporate communications and external affairs. Mr. Rhody had said he would leave to start a public relations firm.

The Texas Savings and Loan Department's commissioner, L. Linton Bowman 3d, has disclosed plans to resign at the end of the year. No reason was given. The state's savings and loan industry has come under federal scrutiny amid allegations of fraud at more than 20 institutions. The head of the regulatory agency since January 1983, Mr. Bowman recently drew criticism when it was learned that he had held stock in a state-chartered savings and loan in Texas while serving as commissioner.

Nomura Research Institute has appointed Toyonishi Tamao as general manager in London. Mr.

Tamao, 49, was formerly head of the investment research division in Tokyo, NRI's largest division.

MTV Networks Inc. said that Thomas E. Freston, president of its entertainment division, had been named president and chief executive of the company. MTV, a Viacom International Inc. subsidiary that owns and operates four cable television networks, has not had a chief executive for nearly a year. Mr. Freston and Robert A. Roganz, president of MTV Networks' operations unit, had been vying for the top spot since September, when

Replacing Stevens at Golf Digest will be Robert L. Maxon, 45, who

has served as advertising director of Tennis magazine. Janet Robinson, 37, will take over that position at Tennis.

Mellon Bank Corp. of Pittsburgh, which is reorganizing its top management after recent loan losses, said that James D. Roy, a senior vice president at Mellon Bank, its principal subsidiary, had resigned. He will be succeeded by Steven G. Elliott, formerly executive vice president and chief financial officer of First Commerce Corp. in New Orleans. (NYT, Reuters, AP)

Chase Names Boyle to Head Its Global Bank

NEW YORK — Chase Manhattan Corp. said Thursday it had named Richard Boyle as vice chairman and as head of its Global Bank, which oversees corporate, investment and international banking and trading and securities businesses.

Mr. Boyle replaces Anthony Terracciano, who left Chase in June to become president of Mellon Bank Corp. in Pittsburgh. Mr. Boyle previously was in charge of Chase's domestic banking group dealings with large U.S. customers.

Chase, the third-largest U.S. bank holding company, also said it had launched a new service products sector that will include cash management, electronic banking, and the pension and trust businesses.

Chase reported a \$1.4 billion second-quarter loss after setting aside \$1.6 billion for losses on troubled loans to developing countries. For the first half, it had a consolidated net loss of \$1.3 billion.

Canada Development Corporation

has sold its 25.2% interest in

CDC Life Sciences Inc.

to

The Caisse de dépôt et placement du Québec

and

Institut Merieux

We acted as financial advisor to Canada Development Corporation.

Goldman, Sachs & Co.

New York London Hong Kong
Tokyo Toronto Zurich

August 19, 1987

Goldman Sachs

NEW YORK
LONDON
HONG KONG
TOKYO
TORONTO
ZURICH

August 19, 1987

Thursdays' MEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. In The Associated Press

Table A: Market overview and key stock movements.

Table B: Stock prices for various international companies.

Table C: Stock prices for various international companies (continued).

Table D: Stock prices for various international companies (continued).

Table E: Stock prices for various international companies (continued).

Table F: Stock prices for various international companies (continued).

Table G: Stock prices for various international companies.

Table H: Stock prices for various international companies (continued).

Table I: Stock prices for various international companies (continued).

Table J: Stock prices for various international companies (continued).

Table K: Stock prices for various international companies (continued).

Table L: Stock prices for various international companies.

Table M: Stock prices for various international companies (continued).

Table N: Stock prices for various international companies (continued).

Table O: Stock prices for various international companies (continued).

Table P: Stock prices for various international companies (continued).

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 20th Aug. 1987

Not asset values but quotations are based on the exception of some quoted on issue price.

Table of International Funds with columns for fund name, value, and change.

Floating-Rate Notes

Table of Floating-Rate Notes with columns for issuer, rate, and terms.

Pounds Sterling

Table of Pounds Sterling rates and notes.

Deutsche Marks

Table of Deutsche Marks rates and notes.

Japanese Yen

Table of Japanese Yen rates and notes.

As Australia Dollars, B: Belgium Francs, C: Canadian Dollars, D: Deutscher Mark, ECU: European Currency Unit, FF: French Francs, L: Dutch Guilder, Lit: Italian Lira, LFL: Luxembourg Franc, M: Australian Dollars, N: New Zealand Dollar, P: Japanese Yen, S: South African Rand, T: Thai Baht, U: US Dollar, Y: Yen, Z: Australian Dollar. Be sure that your fund is listed in this space daily. Telex: Matthew Green at 013395P for further information.

CURRENCY MARKETS

Dollar Rebounds Ahead of U.S. Data

NEW YORK — The dollar staged a modest rebound Thursday in New York after declining in the Far East and Europe, as market participants bought the currency ahead of two key U.S. economic reports.

London Dollar Rates

Table with columns: Currency, Bid, Ask, and Source: Reuters.

The British pound also slipped to \$1.6155 from \$1.6225. One trader said that the initial dollar selling was less aggressive Thursday than earlier this week.

1.8320 DM on Wednesday, to 144.70 yen, after 144.17 and to 6,1310 French francs from 6,1247. However, it was unchanged at 1.5195 Swiss francs.

U.S. M-1 Falls \$2.5 Billion

NEW YORK — The basic measure of U.S. money supply, M-1, fell \$2.5 billion to a seasonally adjusted \$749.2 billion in the week ended August 10, the Federal Reserve said Thursday. The previous week's M-1 level was revised down by \$100 million to \$751.7 billion.

In London, the dollar closed at 1.8275 DM, down from 1.8417 at Wednesday's close, but largely held its ground against the yen, falling to just 144.30 from 145.05. The dollar also ended lower against the British pound, closing at \$1.6215 after \$1.6155 Wednesday.

In earlier European trading, the dollar was fixed in Frankfurt at 1.8363 DM, down from 1.8459 DM Wednesday, and in Paris at 6,130 French francs, down from 6,177. It closed in Zurich at 1.5200 Swiss francs, down from 1.5260. (UPI, Reuters)

2 U.S. Oil Firms Cut Prices to \$19.50 a Barrel

NEW YORK — Phillips Petroleum Corp. and Cigo Petroleum Corp. cut posted prices for crude oil by 50 cents Thursday, bringing the price of the U.S. benchmark grade to \$19.50 a barrel.

These were the first companies in recent weeks to announce price cuts for West Texas Intermediate to below the current industry level of \$20.

Oil prices continued meanwhile to weaken in world markets amid worry that supply and production were outstripping demand.

On the New York Mercantile Exchange, contracts for September delivery of West Texas Intermediate fell 21 cents to \$19.42 a barrel. (Reuters, UPI)

WINDSURFING: Sales Slacken, Europeans Set Course for U.S. Market

(Continued from first finance page)

three other leading European companies: S.R. Industries-Tiga, based in Boulogne, a Paris suburb; Mistral AC, based in Bessersdorf, Switzerland; and Fanatic, based in Setters, West Germany.

Bic Sport is a subsidiary of Bic SA, the giant pen and cigarette lighter company; Mistral belongs to Adia SA, a Swiss temporary employment concern, and Fanatic is a subsidiary of Scutus Works, a German chemical company.

"There is a fantastic price war going on in the United States," said Patrick Dussosoy, chairman of Tiga, which was barred from selling sailboards in the United States during 1986. To a high-stakes lawsuit over patent infringement, Windsurfing International won a court injunction prohibiting Bic and Tiga from selling their boards in the United States.

Bic and Tiga stormed back in the market when the patent expired in January. Indeed, in an effort that has helped it capture the No. 1 spot in the American market, Bic has slashed its prices in the United States and has offered such gimmicks as a free mountain bike and free windsurfing lessons to buyers of Bic boards.

"Bic is trying to buy its way into the market and as is the case with all its products, it wants to make itself No. 1 or 2 regardless of red ink," said Mr. Schweizer.

Mr. Grant admitted that Bic's U.S. board sales would not make a profit this year, but added that he hoped the momentum gained this year will enable the operation to break even next year.

Sales of sailboards climbed from 30,000 worldwide in 1976 to 400,000 in 1982 before sliding to 325,000 last year, according to Sailboard News, the industry trade journal.

The United States market has become so important to sailboard manufacturers because it continues to progress slowly but surely, while European sales have faltered after having sprinted ahead.

France has 2.5 million wind-



A craftsman at work on a sailboard.

surfers and West Germany, 1.1 million, while the United States, which has four times the population of each of the other two countries, has just 1.3 million windsurfers. However, unlike the ebbing European market, the American market is

still growing by 10 percent to 15 percent a year.

There are many reasons why the sport blossomed in Europe before the United States, there are lot more options for recreation," said Mark A. Gabriel, editor of Sailboard News. "In the United States it's not hard to own a boat, but in Europe owning a boat is limited to the very wealthy. The sailboard is the poor man's yacht."

Industry officials say another reason windsurfing caught on so dramatically in the Old World is California. In addition, the Europeans who windsurfed were highly visible in Europe's highly concentrated recreation areas, whether on Lake Garda in Italy or in Saint-Tropez in France.

This, said Mr. Gabriel, the editor, helps explain why sailboard sales in West Germany exploded from 25,000 in 1978 to 100,000 in 1983. The peak year for United States sales was 1983 with 73,000. "It skyrocketed to where it be-

could go faster than the American boards.

They also developed a retractable keel or centerboard, which allowed windsurfers to go faster. The European boards could rocket along at up to 30 miles (50 kilometers) an hour in 50 mile-an-hour winds, while the older American boards often had trouble handling winds over 12 miles an hour.

Many industry executives and analysts say the Americans were caught napping, and argue especially that Windsurfing International had little incentive to stay competitive because it held the original patent.

According to Sailboard News, Windsurfing International's share of the American market has tumbled to 7 percent from 30 percent in 1982.

Mr. Schweizer of Windsurfing International rejects this criticism. He said European producers were able to progress so fast because Europeans embraced the sport much more readily, thus supporting greater research and development efforts. Mr. Schweizer added that many of the Europeans' best ideas were borrowed from California, and noted that the strong dollar greatly helped them in the American market.

Industry officials say they do not think windsurfing is such a fad that it will evaporate. In fact, windsurfing is an official Olympic sport.

The key challenge facing the industry is to persuade more people to participate. One obstacle is a sharply divided market between beginners (often reluctant to spend \$500 on their first board and experts eager to snatch up newly designed boards for \$1,500.

In the view of some industry officials, the biggest problem is the lack of emphasis on education programs for windsurfing. To handle the board competently, windsurfers usually need at least four hours of courses. "In too many countries, schooling is on the decline," said Mr. Gabriel, the editor. "In the United States there are only 700 schools. We need at least 2,000."

MANILA: Foes of Debt Repayment Pact Link Issue to Fraud Under Marcos

(Continued from first finance page) over what decision is made," Mr. Ongpin said in an interview. "Giving how much of this money was wasted, it's not easy to rise above the emotional side of the issue."

Opponents of the new debt repayment terms advocate increased "self-reliance" and more distant relations with international creditors.

Such views have found widespread popularity among Filipinos, including prominent business executives. Demands for the resignation of Mr. Fernandez and the country's financial negotiators are frequent. To assuage her critics, Mrs. Aquino has repeatedly emphasized that her "options remain open."

The legislature's assertiveness is viewed chiefly as posing by most political analysts. But it is also seen

as a measure of the nation's frustration over its failure to meet recent economic growth targets and as an effort by the Congress to avoid the difficult and politically sensitive issues of economic reform.

Although officials appear confident that the accord eventually will be implemented, the international banking community is clearly shaken by the dispute. In secondary debt markets, the discount offered on Philippine loans has risen from 20 percent to more than 30 percent in recent weeks, according to banking sources.

Under the rescheduling agreement, Manila will be permitted to suspend principal payments on \$9.32 billion of its foreign obligations for seven and a half years, while interest is reduced from 1 1/2 percent to 1 percent above the London interbank offered rate to 1/2 percent above Libor.

The remainder of the package consists of reduced interest payments on \$925 million in funds lent two years ago and \$2.96 billion in trade credits that are to be extended over the next four years.

The Aquino administration views the new payment schedule, which will still absorb almost one-third of export income, as key to the economy's emergence from several years of depression prior to Mr. Marcos' fall from power in February 1986.

Public resentment over foreign debt obligations began to emerge several months ago when it became clear that the rescheduling terms being offered to the Philippines were less generous than those recently extended to Mexico.

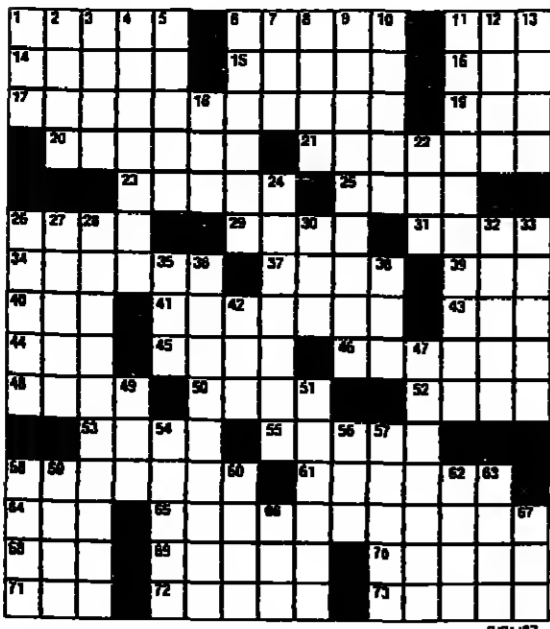
Mrs. Aquino, addressing the first session of the new Congress last month, sharply criticized the nation's creditor banks.

She was reacting to the insistence of a group of creditor banks, led by Barclays Bank International, that the government assume obligations of \$56 million from a private company as a condition of the agreement.

Bowing to congressional pressure, Mrs. Aquino suspended the agreement on that loan last week. Her action raised the question of whether all of the accord's conditions will be met by a mid-November deadline.

Based on central bank documents, the Congress is now preparing to review all of the foreign loans extended to the Philippines during the Marcos era. The aim is to single out credits involving imprudence on the part of banks — particularly those based on government guarantees, rather than assessments of a project's viability.

Large financial table with multiple columns for stock prices, including sections for Thursday's OTC Prices, AMEX Closing, and various stock market data.



ACROSS 1 Very dangerous element 2 Glad or sad ending 3 Wide open 11 — out (plan in detail) 14 Lacquer resin 15 Overstuffed 16 Ab — (from square one) 17 Snake of gray 19 Wash luminary 20 Each 21 Little specialty 23 With 24 Down and 55 Across, a dinner dish 25 Drg. established in 1949 26 N.K.V.D.'s predecessor 29 Erstwhile corp. 31 Berley beards 34 Bristly plant 37 Kabob component 39 Drabwsky or Berg of baseball 40 Rhine tributary 41 Extended breaks 43 Take advantage of 44 Corn or cycle starter 45 Friends, in file 46 Caught 48 Start of N.C.'s motto

PEANUTS



BLONDIE



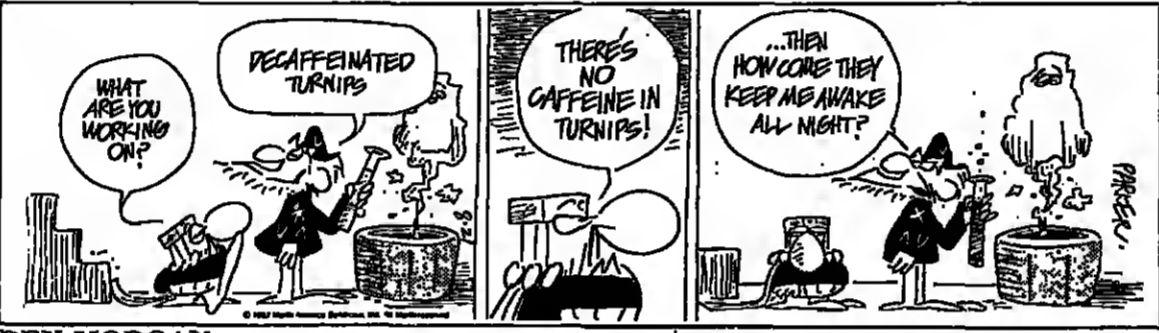
BEETLE BAILEY



ANDY CAPP

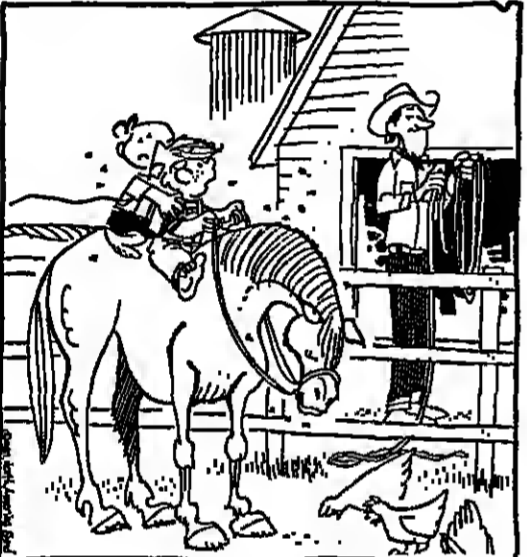


WIZARD OF ID



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DENNIS THE MENACE



REX MORGAN



GARFIELD



I KEEP SAYING 'GIDDY-UP!' BUT I THINK SHE'S STUCK ON 'WHOA!'

JUMBLE

Jumble puzzle instructions and grid. Includes words: ROFEY, YASAS, NIDIOE, ANBYRD.

WEATHER

Weather forecast table with columns for Europe, Asia, Africa, Latin America, North America, Middle East, Oceania.

BOOK BRIEFS

REMAKING JAPAN: The American Occupation as New Deal. By Theodore Cohen. Edited by Herbert Passin. Macmillan, 366 Third Avenue, New York, N.Y. 10022. The American occupation of Japan after World War II was arguably the most successful instance of military government ever undertaken by the United States abroad. Compared with the occupation of other countries, ranging from Mexico in the 1840s to Germany in the 1940s, it would seem that the six-year regime (1945-1951) in Japan created a legacy that provided the basis for what developed into a close relationship across the Pacific. Theodore Cohen, a young official trained in labor history and economics, was one of the hundreds of civilians assembled by General Douglas MacArthur's headquarters to carry out an occupation policy that had been formulated in Washington toward the end of the war. There is a voluminous literature on the making of the occupation policy, and on the paths that led to the peace treaty of 1951. Many biographies of MacArthur also exist. But this book, published posthumously and ably edited by Herbert Passin, the Columbia sociologist — is unique in its focus on middle-ranking occupation administrators and their interactions with the Japanese. In these interactions the author sees the origins of the postwar record of cooperation and goodwill between the two peoples. Because Cohen specialized in labor affairs, the book is particularly rich in descriptions of how occupation authorities perceived and dealt with Japan's working population. Fundamental to his perspective, which was shared by some but not all of his colleagues in MacArthur's headquarters, was the assumption that the United States had a historic mission to perform in Japan. The latter was to be "remade" in the image of New Deal America. To the extent that Cohen's descriptions can be accepted, Japan's postwar development as an economic power owes its origins to the energy, initiative and perseverance of American occupation personnel on the one hand, and to a receptive and appreciative Japanese public on the other. To understand where the American-induced transformation of Japanese society started, this excellent book provides an invaluable guide. (Akira Iriye, WP)

FREEDOM. By William Safire. Doubleday, 245 Park Avenue, New York, N.Y. 10167. The Civil War, on the battlefield and off, was harsh, confusing and rarely romantic. It ended slavery and implanted the notion that the United States was a nation, not just an association of states as it once was. Neither was easily accomplished. The war was not only difficult militarily but also viciously partisan. There have been many novels about the war. Few, however, have captured the intricate dimension of the whole with the texture and understanding it deserves. William Safire does so with flair, a deep knowledge of the war and an understanding of the American political process. Washington is the main scene, politicians and their allies the leading actors. Safire, now a New York Times columnist, has read widely in the massive Civil War literature and takes it seriously. (In addition to the almost 1,000 pages of text, there are 133 pages of sources and commentary.) This is a sprawling, massively detailed, didactic roman à clef, the story of the two years, 1861 and 1862, when the North defined what it was about. Safire makes full use of his novelistic license to make conversations and situations and to rearrange events as they serve his purpose. As in best fiction, there is much emphasis on personalities and contests of will, several colorful episodes, including a bedroom encounter or two, and a number of well-conceived battle scenes usually viewed from headquarters. (Joel Silbey, NYT)

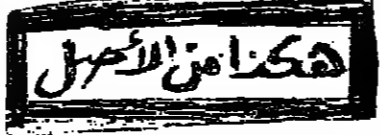
BRIDGE

Bridge problem by Alan Truscott. Includes a diagram of a card game and a solution.

World Stock Markets

World Stock Markets table showing closing prices in local currencies for various markets including Amsterdam, London, Frankfurt, Zurich, Tokyo, etc.

Stock market tables for Toronto, Zurich, and Montreal, showing various stock prices and indices.



SPORTS

A Broken Dream For U.S. Fighter

By Malcolm Moran
New York Times Service
INDIANAPOLIS — Was Rick-
dick Bove suffering from a broken
hand, or just a broken heart?



Alfredo Griffin of the A's is tagged out at the plate by the Blue Jays' catcher, Ernie Whitte.

Tigers Take Lead in AL East

Compiled by Our Staff From Dispatches
DETROIT — Manager Sparky
Anderson still bristles when he's
reminded that his Detroit Tigers
were picked for fifth place this sea-
son.

BASEBALL ROUNDUP
allowed five hits in the last eight
innings for New York against Seat-
tle.

1949. Dom's brother, Joe, set the
major-league record with a 56-
game streak for the New York Yan-
kees in 1941.

NFL Will Hold Supplemental Draft

Washington Post Service
WASHINGTON — The Na-
tional Football League will "re-
luctantly" hold a supplemental draft
on Aug. 28 for Chris Carter, the
Ohio State all-America wide receiver,

A Watershed in the Sport of Racing

The Associated Press
SCHUYLVILLE, N.Y. — Brown and
gray thoroughbreds, speckled with white,
purple and green, pace and preen before an
afternoon race. A chorus of quacks fills the air as
spectators line the course.

Joe DiMaggio, back at the plate as a coach for the Yankees.

DiMaggio's Streak: A Point of Pride

By Ira Berkow
New York Times Service
NEW YORK — Curious that
public attention began to be focused
as Paul Molitor hit in his 32d and
33d consecutive ball games.

SCOREBOARD

Baseball

Table with columns for Major League Line Scores, listing teams like Toronto, Oakland, Cincinnati, etc., and their scores.

Transition

Table with columns for National League, American League, and Football, listing various players and teams.

Pan Am Games

Table with columns for Gold Medalists, listing countries like USA, USSR, Cuba, etc., and their medal counts.

City Approves Stadium Loan For Raiders

The Associated Press
IRVINDALE, California —
The Irwindale City Council ap-
proved a \$1.5 million loan to the
Los Angeles Raiders as part of an
agreement that would move the
team to the small industrial center
in the eastern San Gabriel Valley.

Sports Briefs

Mandlikova Joins Tennis 500 Club
TORONTO (UPI) — Hana Mandlikova became the eighth player in
women's tennis history to record 500 victories when she defeated Alycia
Moulton, 6-0, 7-5, Wednesday in the second round of the Canadian Open
Women's Tennis Championships.

Major League Standings

Table with columns for American League and National League, listing teams and their win-loss records.

European Soccer

Table with columns for English First Division, French First Division, and International Friendly, listing teams and scores.

Western Golf Open Delayed by Mud

OAK BROOK, Illinois (UPI) — The Western Open, originally sched-
uled to begin Thursday, was delayed a day after torrential rains produced
flash flooding on Salt Creek and almost the entire golf course was under
water.

Ashford Pulls Out of Race With Injury

ZURICH (AP) — Olympic gold medalist Evelyn Ashford walked to
the finish line in a 100-meter dash qualifying heat at an international
track meet Wednesday after a problem with her right hamstring caused her
to slow up.

OBSERVER

The Shampoo Scourge

By Russell Baker
NEW YORK — Shampoo burnout is one of the new American scourges. It's what happens when your shampoo can no longer cut the mustard, much less the grit on your scalp.

the heart of Russia will remember when gingivitis did its first scourge. It was non-violent scourge. Television hadn't yet prevailed and, unlike Mr. Coffee Nerves, gingivitis never appeared in cartoon form. It existed only on radio, but from the lips of Gabriel Heatter it became a fearsome thing.

Instant Movies in the Philippines

By Keith B. Richburg
Washington Post Service
MANILA — Up-to-the-minute news summary: Hundreds of villagers fled as college professor-turned-guerrilla threatens war in the south; sugar planters stockpile heavy weapons to battle government over land reform; notorious gangster gunned down in police shoot-out; troops capture renegade army colonel.



Poster for "Balweg the Rebel Priest."

know that, for their films to be approved by Morato's censorship board, they better make certain their rebel heroes end up either anti-communist or dead.

It is still too controversial, too expensive or simply too vast and complicated a project for their limited resources.

Florida Chef Is Picked For White House Post

The White House has selected Florida hotel chef for the post of executive chef from among 200 candidates, according to the White House.

ANNOUNCEMENTS
TODAY'S INTERNATIONAL REAL ESTATE MARKETPLACE
Appears on page 6

INTERNATIONAL CLASSIFIED
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EMPLOYMENT
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RENTALS

BOATS & RECREATIONAL VEHICLES
LEGAL SERVICES
EDUCATION
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SPYCATCHER
Page 6 FOR MORE CLASSIFIED

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